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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)

**DISCLOSEABLE TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO**

**(1) CITIC BANK FINANCIAL SERVICES FRAMEWORK AGREEMENT; AND
(2) SUPPLEMENTAL AGREEMENTS TO AMEND THE EXISTING FINANCIAL SERVICES
FRAMEWORK AGREEMENTS**

CITIC BANK FINANCIAL SERVICES FRAMEWORK AGREEMENT

On 14 November 2022, the Company entered into the CITIC Bank Financial Services Framework Agreement with CITIC Bank, pursuant to which members of the Group could engage CITIC Bank and its subsidiaries in the PRC for the provision of deposit, settlement and credit services for a term of not more than three (3) years.

The Existing Financial Services Framework Agreements do not include financial services to be provided by CITIC Bank and its subsidiaries in the PRC.

SUPPLEMENTAL AGREEMENTS

Reference is made to the announcement of the Company dated 30 September 2021 in relation to the Existing Financial Services Framework Agreements, which were entered into by the Company separately with each of China CITIC Bank International, CITIC Finance and CITIC Finance International, respectively.

On 14 November 2022, the Company entered into the Supplemental Agreements with each of China CITIC Bank International, CITIC Finance and CITIC Finance International, respectively to amend and supplement each of the Existing Financial Services Framework Agreements as follows:

- (i) expand the scope of financial services to also include credit services; and
- (ii) reset the term such that the term of each of the Existing Financial Services Framework Agreements shall be for no more than three (3) years, commencing from the Effective Date and ending on the date immediately preceding the third anniversary of the Effective Date (both days inclusive).

Save as disclosed in this announcement, the terms of the Existing Financial Services Framework Agreements remain unchanged.

LISTING RULES IMPLICATIONS

CITIC Limited is the controlling shareholder of the Company which is interested in approximately 57.73% of the total number of Shares in issue. Each of CITIC Bank, China CITIC Bank International, CITIC Finance and CITIC Finance International is a subsidiary of CITIC Limited. Accordingly, each of CITIC Bank, China CITIC Bank International, CITIC Finance and CITIC Finance International is a connected person of the Company. Therefore, the entering into of the CITIC Bank Financial Services Framework Agreement and the Supplemental Agreements, and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Deposit Services

As the highest applicable percentage ratio for the aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International under the 2022 Financial Services Framework Agreements is more than 5% but less than 25%, such deposit services constitute (i) non-exempt continuing connected transactions subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) discloseable transactions subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Settlement Services

The aggregate amounts of the maximum service fees to be paid by the Group for the settlement services to be provided by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International to the Group under the 2022 Financial Services Framework Agreements are expected to fall below the de minimis threshold as specified in Rule 14A.76(1) of the Listing Rules. Therefore, such settlement services are exempt from reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

Credit Services

As the credit services to be provided by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International to the Group under the 2022 Financial Services Framework Agreements shall be on normal commercial terms or better, and the Group only expects to engage such credit services if and when no security will be granted by the Group over its assets in respect of such credit services, the credit services as contemplated under the 2022 Financial Services Framework Agreements, if and when they occur, are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors (namely, Mr. Zuo Xunsheng, Mr. Lam Yiu Kin and Mr. Wen Ku) has been established to advise the Independent Shareholders in connection with the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps.

Asian Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps. CITIC Limited and its associates, which together hold 57.73% of the total number of Shares in issue as at the date of this announcement, are required to abstain from voting at the EGM on the resolutions approving the same. Save for the aforementioned and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the 2022 Financial Services Framework Agreements and is required to abstain from voting on the resolutions approving the same at the EGM.

DESPATCH OF CIRCULAR

A circular containing, among other matters, (i) further details of the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of EGM, will be despatched to the Shareholders in compliance with the Listing Rules.

As additional time is required by the Company to prepare the information to be included in the circular, it is expected that the circular will be despatched to the Shareholders on or before 31 December 2022. If it is expected that there will be a delay to the despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason(s) for the delay and the new expected date of despatch of the circular.

CITIC BANK FINANCIAL SERVICES FRAMEWORK AGREEMENT

On 14 November 2022, the Company entered into the CITIC Bank Financial Services Framework Agreement with CITIC Bank, pursuant to which members of the Group could engage CITIC Bank and its subsidiaries in the PRC for the provision of deposit, settlement and credit services for a term of not more than three (3) years as set out below.

The principal terms of the CITIC Bank Financial Services Framework Agreement are set out below:

- Date** : 14 November 2022
- Parties** : (1) the Company; and
(2) CITIC Bank.
- Term** : The term shall be from the Effective Date for a term of not more than three (3) years as follows: CITIC Bank will obtain the necessary approval from its shareholders on or before 31 December 2023 for continuing connected transactions with CITIC Limited and its subsidiaries (including the Company) beyond 31 December 2023. The term of the CITIC Bank Financial Services Framework Agreement therefore commences from the Effective Date until 31 December 2023 (both days inclusive), provided that if the aforementioned CITIC Bank's necessary approval is obtained on or before 31 December 2023, the term is automatically extended up to and including the date immediately preceding the third anniversary of the Effective Date (both days inclusive).

If either party wishes to renew the CITIC Bank Financial Services Framework Agreement, it shall provide one (1) month's written notice in advance to the other party and obtain the consent from the other party. The parties shall enter into a new framework agreement for the renewal and obtain all necessary approvals and authorisations in accordance with the Listing Rules.

- Financial services to be provided to the Group** : Pursuant to the CITIC Bank Financial Services Framework Agreement, the Group shall engage CITIC Bank and its subsidiaries in the PRC for the provision of the following financial services on normal commercial terms, at fair transaction price or on terms no less favourable to the Group than those that could be obtained from independent third parties:

(1) Deposit Services

Pursuant to the CITIC Bank Financial Services Framework Agreement, the Group shall engage CITIC Bank and its subsidiaries in the PRC for the provision of deposit services. The interest rates for the deposits to be placed with CITIC Bank and its subsidiaries in the PRC by the Group shall (i) subject to compliance with the Listing Rules, be determined at arm's length between the parties with reference to the prevailing interest rates offered by independent third parties for comparable category of deposits, or (ii) not be lower than the highest interest rates for comparable category of deposits offered by other major commercial banks with which the relevant member of the Group has established business relationship.

(2) Settlement Services

Pursuant to the CITIC Bank Financial Services Framework Agreement, the Group shall engage CITIC Bank and its subsidiaries in the PRC for the provision of settlement services. The service fees to be charged by CITIC Bank and its subsidiaries in the PRC for the provision of settlement services to the Group shall (i) subject to compliance with the Listing Rules, be determined at arm's length between the parties with reference to the prevailing service fees charged by independent third parties for comparable category of settlement services, or (ii) not be higher than the lowest service fees for comparable category of settlement services charged by other major commercial banks with which the relevant member of the Group has established business relationship.

(3) Credit Services

Pursuant to the CITIC Bank Financial Services Framework Agreement, the Group shall engage CITIC Bank and its subsidiaries in the PRC for the provision of credit services. The interest rates for the credit services to be provided by CITIC Bank and its subsidiaries in the PRC to the Group shall (i) subject to compliance with the Listing Rules, be determined at arm's length between the parties with reference to the prevailing interest rates of similar credit lines offered by independent third parties, or (ii) not be higher than the lowest interest rates for comparable grade of credit services charged by other major commercial banks with which the relevant member of the Group has established business relationship.

Payment : The consideration for the transactions contemplated under the CITIC Bank Financial Services Framework Agreement shall be paid in accordance with the specific terms as agreed in the separate agreements to be entered into between the relevant member of the Group and CITIC Bank (or the relevant subsidiary of CITIC Bank in the PRC) from time to time.

Undertakings by CITIC Bank : Under the CITIC Bank Financial Services Framework Agreement, CITIC Bank undertakes to:

- (1) co-ordinate with the internal audit function and/or external auditors engaged by the Company to review/assess the transactions under the CITIC Bank Financial Services Framework Agreement; and
- (2) assist the Company to comply with the relevant regulations (including but not limited to the Listing Rules).

SUPPLEMENTAL AGREEMENTS

Reference is made to the announcement of the Company dated 30 September 2021 in relation to the Existing Financial Services Framework Agreements, which were entered into by the Company separately with each of China CITIC Bank International, CITIC Finance and CITIC Finance International, respectively for the provision of deposit and settlement services for a term of three (3) years commencing from 30 September 2021 to 29 September 2024 (both days inclusive).

On 14 November 2022, the Company entered into the Supplemental Agreements with each of China CITIC Bank International, CITIC Finance and CITIC Finance International, respectively to amend and supplement each of the Existing Financial Services Framework Agreements as follows:

- (i) expand the scope of financial services to also include credit services; and
- (ii) reset the term such that the term of each of the Existing Financial Services Framework Agreements shall be for no more than three (3) years, commencing from the Effective Date and ending on the date immediately preceding the third anniversary of the Effective Date (both days inclusive).

Financial services to be provided to the Group

Pursuant to the Existing Financial Services Framework Agreements (as amended and supplemented by the Supplemental Agreements), the Group shall engage China CITIC Bank International, CITIC Finance and CITIC Finance International respectively for the provision of the following financial services on normal commercial terms, at fair transaction price or on terms no less favourable to the Group than those that could be obtained from independent third parties:

(1) Deposit services

Under the Existing Financial Services Framework Agreements, the Group shall engage China CITIC Bank International, CITIC Finance and CITIC Finance International respectively for the provision of deposit services. Pursuant to the Supplemental Agreements, the interest rates for the deposits to be placed with each of China CITIC Bank International, CITIC Finance and CITIC Finance International by the Group shall be refined such that they shall (i) subject to compliance with the Listing Rules, be determined at arm's length between the parties with reference to the prevailing interest rates offered by independent third parties for comparable category of deposits, or (ii) not be lower than the highest interest rates for comparable category of deposits offered by other major commercial banks with which the relevant member of the Group has established business relationship.

(2) Settlement services

Under the Existing Financial Services Framework Agreements, the Group shall engage China CITIC Bank International, CITIC Finance and CITIC Finance International respectively for the provision of settlement services. Pursuant to the Supplemental Agreements, the service fees to be charged by each of China CITIC Bank International, CITIC Finance and CITIC Finance International for the provision of settlement services to the Group shall be refined such that they shall (i) subject to compliance with the Listing Rules, be determined at arm's length between the parties with reference to the prevailing service fees charged by independent third parties for comparable category of settlement services, or (ii) not be higher than the lowest service fees for comparable category of settlement services charged by other major commercial banks with which the relevant member of the Group has established business relationship.

(3) Credit services

Pursuant to the Supplemental Agreements, the Group shall engage China CITIC Bank International, CITIC Finance and CITIC Finance International respectively for the provision of credit services. The interest rates for the credit services to be provided by China CITIC Bank International, CITIC Finance and CITIC Finance International to the Group shall (i) subject to compliance with the Listing Rules, be determined at arm's length between the parties with reference to the prevailing interest rates of similar credit lines offered by independent third parties, or (ii) not be higher than the lowest interest rates for comparable grade of credit services charged by other major commercial banks with which the relevant member of the Group has established business relationship.

Term

Pursuant to the Supplemental Agreements, the term of each of the Existing Financial Services Framework Agreements shall be amended to commence from the Effective Date to the date immediately preceding the third anniversary of the Effective Date (both days inclusive).

Save as disclosed in this announcement, the terms of the Existing Financial Services Framework Agreements remain unchanged.

HISTORICAL TRANSACTION AMOUNTS

(1) Deposit services

Set out below are the aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) placed by the Group with CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International for each of the financial years ended 31 December 2019, 2020 and 2021, and the period from 1 January 2022 to 31 October 2022:

	Historical amounts for the financial years ended 31 December			Historical amount for the period from 1 January to 31 October
	2019	2020	2021	2022
Aggregate amount of maximum daily outstanding balance of deposits (including accrued interests) HK\$ (million)	1 (Note 1)	3 (Note 1)	364 (Note 1)	365 (Note 1)

Note 1: The deposits of the Group were denominated in multiple currencies and the equivalent amount in HKD is calculated based on the prevailing exchange rate at the relevant time for illustrative purpose only.

(2) Settlement services

Set out below are the aggregate amounts of the service fees paid by the Group to CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International for the settlement services provided by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International for each of the financial years ended 31 December 2019, 2020 and 2021, and the period from 1 January 2022 to 31 October 2022:

	Historical amounts for the financial years ended 31 December			Historical amount for the period from 1 January to 31 October
	2019	2020	2021	2022
Aggregate amount of service fees for settlement services HK\$ (million)	1 (Note 2)	1 (Note 2)	1 (Note 2)	1 (Note 2)

Note 2: The service fees paid by the Group were denominated in multiple currencies and the equivalent amount in HKD is calculated based on the prevailing exchange rate at the relevant time for illustrative purpose only.

(3) Credit services

Set out below are the aggregate maximum outstanding loan amounts (including interest accrued thereon) provided by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International and CITIC Finance International to the Group for each of the financial years ended 31 December 2019, 2020 and 2021, and the period from 1 January 2022 to 31 October 2022:

	Historical amounts for the financial years ended 31 December			Historical amount for the period from 1 January to 31 October
	2019	2020	2021	2022
Aggregate maximum outstanding loan amount (including interest accrued thereon) HK\$ (billion)	-	-	1.6 (Note 3)	1.6 (Note 3)

Note 3: The outstanding loan amounts of the Group were denominated in multiple currencies and the equivalent amount in HKD is calculated based on the prevailing exchange rate at the relevant time for illustrative purpose only.

The Group did not have any outstanding loan amount (including interest accrued thereon) from CITIC Finance for each of the financial years ended 31 December 2019, 2020 and 2021, and the period from 1 January 2022 to 31 October 2022.

As the aforementioned loan transactions entered into with CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International and CITIC Finance International were on normal commercial terms or better, and without granting any security over the Group's assets in respect of the loans, the loan transactions are fully-exempt from reporting, annual review, announcement and Independent Shareholders' approval requirements under 14A.90 of the Listing Rules.

REVISED ANNUAL CAPS

Having regard to (i) the entering into of the CITIC Bank Financial Services Framework Agreement; and (ii) the inclusion of credit services amongst the financial services to be provided to the Group by China CITIC Bank International, CITIC Finance and CITIC Finance International pursuant to the Supplemental Agreements, the Company proposes to increase the Current Annual Caps as follows:

(1) Deposit services

The aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International pursuant to the 2022 Financial Services Framework Agreements for the period from the Effective Date to 31 December 2022 and each of the financial years ending 31 December 2023, 2024 and 2025 shall not exceed the maximum amounts set out below:

	For the period from the Effective Date to 31 December				For the financial years ending 31 December			
	2022	2023	2024	2025	2022	2023	2024	2025
Aggregate amount of maximum daily outstanding balance of deposits (including accrued interests) HK\$ (billion)	1.6 (Note 4)	1.6 (Note 4)	1.6 (Note 4)	1.6 (Note 4)	1.6 (Note 4)	1.6 (Note 4)	1.6 (Note 4)	1.6 (Note 4)

Note 4: The deposits of the Group to be placed with CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International may be denominated in multiple currencies.

Note 5: Up to and including the date immediately preceding the third anniversary of the Effective Date in 2025.

(2) Settlement services

The aggregate amounts of the maximum service fees payable by the Group to CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International for the settlement services to be provided by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International pursuant to the 2022 Financial Services Framework Agreements for the period from the Effective Date to 31 December 2022 and each of the financial years ending 31 December 2023, 2024 and 2025 shall not exceed the maximum amounts set out below:

	For the period from the Effective Date to 31 December				For the financial years ending 31 December			
	2022	2023	2024	2025	2022	2023	2024	2025
				(Note 7)				
Aggregate amount of maximum service fees payable HK\$ (million)	3 (Note 6)	3 (Note 6)	3 (Note 6)	3 (Note 6)				

Note 6: The service fees payable by the Group to CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International may be denominated in multiple currencies.

Note 7: Up to and including the date immediately preceding the third anniversary of the Effective Date in 2025.

The Revised Annual Caps are determined with reference to: (1) the historical transaction amounts as stated above; (2) the strategies of the treasury management of the Company taking into account the cash flow requirements and financial needs of the Group for its business development plans; and (3) the expected increase in revenue and the expected amount of cash of the Group in the three (3) financial years ending 31 December 2023, 2024 and 2025, taking into account, in particular, the expected growth of the Group's business.

(3) Credit services

The credit services under the 2022 Financial Services Framework Agreements involve the provision of financial assistance by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International to the Group. As the credit services to be provided under the 2022 Financial Services Framework Agreements shall be on normal commercial terms or better, and the Group only expects to engage such credit services if and when no security will be granted by the Group over its assets in respect of such credit

services, the credit services as contemplated under the 2022 Financial Services Framework Agreements, if and when they occur, are fully exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules. No annual caps are therefore set for such credit services.

INTERNAL CONTROL AND RISK MANAGEMENT MEASURES

The Company will adopt the following measures in monitoring the transactions of members of the Group with CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International under the 2022 Financial Services Framework Agreements:

- (1) before placing a deposit with CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance or CITIC Finance International, the Group would compare the interest rates offered by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance or CITIC Finance International with the interest rates offered by two to three major commercial banks or financial institutions with which the relevant member of the Group has established business relationship;
- (2) before engaging CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance or CITIC Finance International for the provision of settlement services, the Group would compare the service fees charged by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance or CITIC Finance International with the service fees charged by two to three major commercial banks or financial institutions with which the relevant member of the Group has established business relationship;
- (3) before obtaining credit facilities from CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance or CITIC Finance International, the Group would compare the interest rates offered by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance or CITIC Finance International with the interest rates offered by two to three major commercial banks or financial institutions with which the relevant member of the Group has established business relationship;
- (4) the finance department of the Company shall be responsible for the operations and monitoring of the transactions under the 2022 Financial Services Framework Agreements to ensure such transactions are conducted in accordance with the terms of the 2022 Financial Services Framework Agreements;
- (5) the Company will appoint an external auditor pursuant to the Listing Rules to conduct annual reviews of the transactions under the 2022 Financial Services Framework Agreements and ensure compliance with the Revised Annual Caps; and
- (6) the Board will continue to review on a regular basis the Group's internal control system and its effectiveness.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE 2022 FINANCIAL SERVICES FRAMEWORK AGREEMENTS

The Board is of the view that it is beneficial to utilise the financial services from CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International under the 2022 Financial Services Framework Agreements due to the following reasons:

- (1) the Group can obtain financial services on terms (including interest) which are no less favourable than those available from other independent major commercial banks;
- (2) the return on surplus of the Group can be enhanced due to favourable interest rates for deposits;
- (3) the service fees and charges levied by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International are competitive and cost-effective, and the finance costs of the Group can be reduced due to such favourable service fees for the settlement services;
- (4) the interest rates offered by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International on credit services are competitive, and the finance costs of the Group can also be reduced as a result of such favourable interest rates for the credit services;
- (5) the Group's portfolio of principal bankers and/or financial institutions will be diversified during the term of the 2022 Financial Services Framework Agreements; and
- (6) the Group is expected to further derive synergy from utilising the financial services provided by, gain a better understanding of and establish a deeper connection with CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International, which will allow more expedient and efficient services than those rendered by other commercial banks.

Furthermore, the entering into of the CITIC Bank Financial Services Agreement and the entering into of the Supplemental Agreements to reset the terms of the Existing Financial Services Agreements (which was originally for a term of three (3) years commencing from 30 September 2021 to 29 September 2024 (both days inclusive)) will align the terms of the 2022 Financial Services Framework Agreements, such that all of which will commence on the Effective Date and continue for a term of not more than three (3) years.

The Directors (save for the views of the independent non-executive Directors on the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps, which will be reserved and provided in their letter to be included in the circular, and Mr. Luan Zhenjun, Mr. Wang Guoquan and Mr. Fei Yiping, who abstained from voting on the relevant board resolutions) consider that the terms of the 2022 Financial Services Framework Agreements (including the Revised Annual Caps) and the transactions contemplated thereunder are on normal commercial terms after arm's length negotiations and in the ordinary and usual course of business of the Group, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

CITIC Limited is the controlling shareholder of the Company which is interested in approximately 57.73% of the total number of Shares in issue. Each of CITIC Bank, China CITIC Bank International, CITIC Finance and CITIC Finance International is a subsidiary of CITIC Limited. Accordingly, each of CITIC Bank, China CITIC Bank International, CITIC Finance and CITIC Finance International is a connected person of the Company. Therefore, the entering into of the CITIC Bank Financial Services

Framework Agreement and the Supplemental Agreements, and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Deposit Services

As the highest applicable percentage ratio for the aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International under the 2022 Financial Services Framework Agreements is more than 5% but less than 25%, such deposit services constitute (i) non-exempt continuing connected transactions subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) discloseable transactions subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Settlement Services

The aggregate amounts of the maximum service fees to be paid by the Group for the settlement services to be provided by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International to the Group under the 2022 Financial Services Framework Agreements are expected to fall below the de minimis threshold as specified in Rule 14A.76(1) of the Listing Rules. Therefore, such settlement services are exempt from reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

Credit Services

As the credit services to be provided by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International to the Group under the 2022 Financial Services Framework Agreements shall be on normal commercial terms or better, and the Group only expects to engage such credit services if and when no security will be granted by the Group over its assets in respect of such credit services, the credit services as contemplated under the 2022 Financial Services Framework Agreements, if and when they occur, are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

INFORMATION OF THE PARTIES TO THE TRANSACTIONS

The Group

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

As one of the largest international telecommunications hubs in Asia Pacific, the Group provides full-scale international telecommunications services to carrier clients around the globe, and integrated enterprise services in Southeast Asia through its wholly-owned subsidiary Acclivis Technologies and Solutions Pte. Ltd.

CITIC Telecom International CPC Limited (“CPC”), the Group’s wholly-owned subsidiary, provides one-stop ICT solutions to multinational and business enterprises. CPC is one of the most trusted partners of leading multinational and business enterprises in the Asia-Pacific region and provides comprehensive ICT services for sizeable multinational and business enterprises in Mainland China through its subsidiary China Enterprise ICT Solutions Limited.

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

CITIC Bank

CITIC Bank is a comprehensively competitive national commercial bank and a joint stock limited company incorporated in the PRC, whose H shares and A shares are listed on the Main Board of the Stock Exchange (stock code: 998) and the Shanghai Stock Exchange (stock code: 601998), respectively, which is an indirect non wholly-owned subsidiary of CITIC Limited.

China CITIC Bank International

China CITIC Bank International is a licensed bank incorporated and domiciled in Hong Kong with branches operating in Macau, Singapore, Los Angeles and New York.

China CITIC Bank International is an indirect non wholly-owned subsidiary of CITIC Limited.

CITIC Finance

CITIC Finance is a non-bank financial institution with the approval of the China Banking and Insurance Regulatory Commission. CITIC Finance’s principal businesses include accepting deposits, providing loans and loan agency services, internal transfer and settlement and corresponding planning, finance services and financing consulting for members of the CITIC Group and other businesses.

CITIC Finance is an indirect non wholly-owned subsidiary of CITIC Limited.

CITIC Finance International

CITIC Finance International is a company incorporated in Hong Kong, which acts as the intra-group treasury centre of the CITIC Group and is principally engaged in the provision of treasury management services to other member companies of the CITIC Group.

CITIC Finance International is a direct wholly-owned subsidiary of CITIC Limited.

CITIC Limited

CITIC Limited is one of China’s largest conglomerates with businesses in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type

urbanisation. CITIC Limited enjoys leading market positions in sectors well matched to China's economy. With its rich history, diverse platform and pioneering spirit, CITIC Limited is uniquely positioned to capture opportunities in China and overseas.

CITIC Limited is listed on the Stock Exchange and it is a constituent of the Hang Seng Index. CITIC Group Corporation, a Chinese state-owned enterprise, owns 58% of CITIC Limited.

CITIC Group Corporation

CITIC Group Corporation is the ultimate controlling shareholder of each of the Company, CITIC Limited, CITIC Bank, China CITIC Bank International, CITIC Finance and CITIC Finance International and is a Chinese state-owned enterprise under the Ministry of Finance of the PRC. Since its establishment in 1979, CITIC Group Corporation has been a pioneer of China's economic reform. It makes investments in areas with long-term potential as well as those aligned with national priorities.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors (namely, Mr. Zuo Xunsheng, Mr. Lam Yiu Kin and Mr. Wen Ku) has been established to advise the Independent Shareholders in connection with the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps.

Asian Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps. CITIC Limited and its associates, which together hold 57.73% of the total number of Shares in issue as at the date of this announcement, are required to abstain from voting at the EGM on the resolutions approving the same. Save for the aforementioned and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the 2022 Financial Services Framework Agreements and is required to abstain from voting on the resolutions approving the same at the EGM.

DESPATCH OF CIRCULAR

A circular containing, among other matters, (i) further details of the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of EGM, will be despatched to the Shareholders in compliance with the Listing Rules.

As additional time is required by the Company to prepare the information to be included in the circular, it is expected that the circular will be despatched to the Shareholders on or before 31 December 2022. If

it is expected that there will be a delay to the despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason(s) for the delay and the new expected date of despatch of the circular.

GENERAL

Mr. Luan Zhenjun, an executive Director, is a director of CITIC Finance and CITIC Finance International. Mr. Wang Guoquan, a non-executive Director, is the vice president of CITIC Group Corporation and CITIC Limited. Mr. Fei Yiping, a non-executive Director, is a director of CITIC Finance. In order to avoid the perception of a conflict of interest, Mr. Luan Zhenjun, Mr. Wang Guoquan and Mr. Fei Yiping have abstained from voting on the board resolutions of the Company for considering and approving the transactions contemplated under the 2022 Financial Services Framework Agreements. Save as disclosed above, no other Director has a material interest in the transactions contemplated under the 2022 Financial Services Framework Agreements or is required to abstain from voting on the board resolutions of the Company for considering and approving such transactions.

DEFINITIONS

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

“2022 Financial Services Framework Agreements”	collectively, (i) the CITIC Bank Financial Services Framework Agreement; and (ii) the Existing Financial Services Framework Agreements (as amended and supplemented by the Supplemental Agreements);
“Asian Capital” or “Independent Financial Adviser”	Asian Capital Limited (卓亞融資有限公司), a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps;
“associates”; “connected person”; “continuing connected transactions”; “controlling shareholder”; “percentage ratio”; and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“China CITIC Bank International”	China CITIC Bank International Limited (中信銀行(國際)有限公司), a licensed bank incorporated in Hong Kong and an indirect non wholly-owned subsidiary of CITIC Limited;

“CITIC Bank”	China CITIC Bank Corporation Limited (中信銀行股份有限公司), a joint stock limited company incorporated in the PRC, whose H shares and A shares are listed on the Main Board of the Stock Exchange (stock code: 998) and the Shanghai Stock Exchange (stock code: 601998), respectively, and an indirect non wholly-owned subsidiary of CITIC Limited;
“CITIC Bank Financial Services Framework Agreement”	the financial services framework agreement dated 14 November 2022 entered into between the Company and CITIC Bank in relation to the financial services to be provided by CITIC Bank and its subsidiaries in the PRC to the Group;
“CITIC Finance”	中信財務有限公司 (CITIC Finance Company Limited), a limited liability company established in the PRC and an indirect non wholly-owned subsidiary of CITIC Limited;
“CITIC Finance International”	CITIC Finance International Limited (中信財務(國際)有限公司), a limited liability company incorporated in Hong Kong and a direct wholly-owned subsidiary of CITIC Limited;
“CITIC Group”	CITIC Group Corporation, its subsidiaries and associates (excluding the Group) from time to time;
“CITIC Group Corporation”	中國中信集團有限公司 (CITIC Group Corporation), a Chinese state-owned enterprise established under the laws of the PRC, and the ultimate controlling shareholder of each of the Company, CITIC Limited, CITIC Bank, China CITIC Bank International, CITIC Finance and CITIC Finance International;
“CITIC Limited”	CITIC Limited (中國中信股份有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 00267) and which is the indirect holding company of the Company and is interested in approximately 57.73% of the total number of Shares in issue;
“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);
“Current Annual Caps”	(i) the aggregate amounts of maximum daily outstanding balance of deposits (including accrued interests) that may be placed by the Group with China CITIC Bank International, CITIC Finance and CITIC Finance International pursuant to the Existing Financial Services

Framework Agreements; and

- (ii) the aggregate amounts of the maximum service fees payable by the Group to China CITIC Bank International, CITIC Finance and CITIC Finance International for the settlement services provided by China CITIC Bank International, CITIC Finance and CITIC Finance International pursuant to the Existing Financial Services Framework Agreements,

for the period from 30 September 2021 to 31 December 2021, each of the financial years ending 31 December 2022 and 2023, and the period from 1 January 2024 to 29 September 2024;

“Director(s)”	the director(s) of the Company;
“Effective Date”	in respect of each of the 2022 Financial Services Framework Agreement, the date on which the parties thereto has obtained their respective requisite authorisations or approvals in relation to the transactions contemplated thereunder, including the approval from the Independent Shareholders at the EGM;
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve, among others, the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps;
“Existing Financial Services Framework Agreements”	the financial services framework agreements dated 30 September 2021 entered into by the Company separately with each of (i) China CITIC Bank International; (ii) CITIC Finance; and (iii) CITIC Finance International, respectively, the details of which are set out in the announcement of the Company dated 30 September 2021;
“Group”	the Company and its subsidiaries;
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, and each of them does not have any material interest in the transactions contemplated under the 2022 Financial Services Framework Agreements;

“Independent Shareholders”	Shareholders other than CITIC Limited and its associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the PRC;
“PRC” or “China” or “Mainland China”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan;
“Proposed Deposit Services Annual Caps”	the proposed revised aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) that may be placed by the Group with CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International pursuant to the 2022 Financial Services Framework Agreements for the period from the Effective Date to 31 December 2022 and each of the financial years ending 31 December 2023, 2024 and 2025 (up to and including the date immediately preceding the third anniversary of the Effective Date in 2025);
“Revised Annual Caps”	<ul style="list-style-type: none"> (i) the Proposed Deposit Services Annual Caps; and (ii) the proposed revised aggregate amounts of the maximum service fees payable by the Group to CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International for the settlement services provided by CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International pursuant to the 2022 Financial Services Framework Agreements for the period from the Effective Date to 31 December 2022 and each of the financial years ending 31 December 2023, 2024 and 2025 (up to and including the date immediately preceding the third anniversary of the Effective Date in 2025);
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
“Share(s)”	shares in the capital of the Company;

“Shareholder(s)”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreements”	the supplemental agreements dated 14 November 2022 entered into by the Company separately with each of (i) China CITIC Bank International; (ii) CITIC Finance; and (iii) CITIC Finance International, respectively to amend and supplement the respective Existing Financial Services Framework Agreements; and
“%”	per cent.

The English names of the PRC entities referred to in this announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.

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

Hong Kong, 14 November 2022

The Directors of the Company as at the date of this announcement are: Executive Directors: Xin Yue Jiang (Chairman), Cai Dawei and Luan Zhenjun; Non-Executive Directors: Wang Guoquan, Liu Jifu and Fei Yiping; and Independent Non-Executive Directors: Zuo Xunsheng, Lam Yiu Kin and Wen Ku.