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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CITIC Telecom International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 6 to 26 of this circular. A letter from the Independent Board Committee containing its recommendation is set out on pages 27 to 28 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 29 to 49 of this circular.

A notice convening the EGM to be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Friday, 30 December 2022 at 10:00 a.m. is set out on pages 55 to 57 of this circular. Form of proxy for use in the EGM is enclosed.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

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DEFINITIONS

In this circular, 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”; “close 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

DEFINITIONS

“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 Financial Institution(s)”	CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International
“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)

DEFINITIONS

“Current Annual Caps”	<p>(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</p> <p>(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,</p> <p>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</p>
“Director(s)”	the director(s) of the Company
“Effective Date”	in respect of each of the 2022 Financial Services Framework Agreements, 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

DEFINITIONS

“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
“Latest Practicable Date”	6 December 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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 circular, 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 any of the CITIC Financial Institutions 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”	(i) the Proposed Deposit Services Annual Caps; and (ii) the revised aggregate amounts of the maximum service fees payable by the Group to any of the CITIC Financial Institutions for the settlement services provided by the CITIC Financial Institutions 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)

DEFINITIONS

“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
“%”	per cent

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

LETTER FROM THE BOARD



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)

Directors:

Xin Yue Jiang[#] (*Chairman*)
Cai Dawei[#] (*Chief Executive Officer*)
Luan Zhenjun[#] (*Chief Financial Officer*)
Wang Guoquan^{**}
Liu Jifu^{**}
Fei Yiping^{**}
Zuo Xunsheng^{***}
Lam Yiu Kin^{***}
Wen Ku^{***}

Registered Office:

25th Floor
CITIC Telecom Tower
93 Kwai Fuk Road
Kwai Chung
New Territories
Hong Kong

[#] *Executive Director*
^{**} *Non-executive Director*
^{***} *Independent non-executive Director*

9 December 2022

To the Shareholders

Dear Sir or Madam,

**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
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

With reference to the announcement of the Company dated 14 November 2022 in relation to, among other things, the 2022 Financial Services Framework Agreements, the purpose of this circular is to provide the Shareholders with, 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

LETTER FROM THE BOARD

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 and a proxy form.

2. 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	:	From CITIC Bank's perspective, the shareholders of CITIC Bank has granted an approval for the continuing connected transactions with CITIC Limited and its subsidiaries (including the Company) up to and including 31 December 2023, which covers the relevant continuing connected transactions contemplated under the CITIC Bank Financial Services Framework Agreement.

As such, the term of the CITIC Bank Financial Services Framework Agreement commences from the Effective Date until:

- (1) 31 December 2023 (both days inclusive), if the necessary approval from CITIC Bank's shareholders for continuing connected transactions with CITIC Limited and its subsidiaries beyond 31 December 2023 is not obtained; or
- (2) the date immediately preceding the third anniversary of the Effective Date (both days inclusive), if the necessary approval from CITIC Bank's shareholders for continuing connected transactions with CITIC Limited and its subsidiaries beyond 31 December 2023 is obtained on or before 31 December 2023.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

(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.

LETTER FROM THE BOARD

**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).

3. 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:

LETTER FROM THE BOARD

(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.

LETTER FROM THE BOARD

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 circular, the terms of the Existing Financial Services Framework Agreements remain unchanged.

4. 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 the CITIC Financial Institutions 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 <i>(Note 1)</i>	3 <i>(Note 1)</i>	364 <i>(Note 1)</i>	365 <i>(Note 1)</i>

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.

LETTER FROM THE BOARD

(2) Settlement services

Set out below are the aggregate amounts of the service fees paid by the Group to the CITIC Financial Institutions for the settlement services provided by the CITIC Financial Institutions 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 <i>(Note 2)</i>	1 <i>(Note 2)</i>	1 <i>(Note 2)</i>

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 <i>(Note 3)</i>

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.

LETTER FROM THE BOARD

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.

5. CURRENT ANNUAL CAPS AND REVISED ANNUAL CAPS

Reference is made to the announcement of the Company dated 30 September 2021. The Current Annual Caps in respect of the Existing Financial Services Framework Agreements are set out below.

The aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with 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 shall not exceed the maximum amounts set out below:

	For the period from 30 September to 31 December 2021	For the financial years ending 31 December		For the period from 1 January to 29 September 2024
		2022	2023	2024
Aggregate amount of maximum daily outstanding balance of deposits (including accrued interests) HK\$ (million)	372 (Note 4)	372 (Note 4)	372 (Note 4)	372 (Note 4)

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

LETTER FROM THE BOARD

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 to be provided by China CITIC Bank International, CITIC Finance and CITIC Finance International pursuant to the Existing Financial Services Framework Agreements shall not exceed HK\$3 million for each of (1) the period from 30 September 2021 to 31 December 2021; (2) the financial year ending 31 December 2022; (3) the financial year ending 31 December 2023; and (4) the period from 1 January 2024 to 29 September 2024.

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 any of the CITIC Financial Institutions 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 2022	For the financial years ending 31 December		
		2023	2024	2025 <i>(Note 6)</i>
Aggregate amount of maximum daily outstanding balance of deposits (including accrued interests) HK\$ (billion)	1.6 <i>(Note 5)</i>	1.6 <i>(Note 5)</i>	1.6 <i>(Note 5)</i>	1.6 <i>(Note 5)</i>

Note 5: The deposits of the Group to be placed with the CITIC Financial Institutions may be denominated in multiple currencies.

Note 6: Up to and including the date immediately preceding the third anniversary of the Effective Date in 2025.

LETTER FROM THE BOARD

(2) Settlement services

The aggregate amounts of the maximum service fees payable by the Group to any of the CITIC Financial Institutions for the settlement services to be provided by the CITIC Financial Institutions 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 2022	For the financial years ending 31 December		
		2023	2024	2025
				<i>(Note 8)</i>
Aggregate amount of maximum service fees payable HK\$ (million)	3 <i>(Note 7)</i>	3 <i>(Note 7)</i>	3 <i>(Note 7)</i>	3 <i>(Note 7)</i>

Note 7: The service fees payable by the Group to the CITIC Financial Institutions may be denominated in multiple currencies.

Note 8: 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 historical amount of the maximum daily balance of deposits placed by the Group with external service providers (and not only with the CITIC Financial Institutions); (3) 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 (4) 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.

LETTER FROM THE BOARD

In particular, the Proposed Deposit Services Annual Caps was determined after taking into consideration the following factors:

- (i) ***Nature of deposits:*** the Company intends to make use of the deposit services provided by the CITIC Financial Institutions to support its operational and liquidity needs, which may require a high amount of daily balance for a short period of time (e.g. monthly payroll processing or loan repayment) and is not intended for placement of termed deposit. As such, the determination of the Proposed Deposit Services Annual Caps took into account circumstances requiring the Company to deposit a larger sum for a short period of time due to such operational and liquidity needs;
- (ii) ***Growth of historical transaction amounts with the CITIC Financial Institutions:*** the growth in the historical aggregate amounts of the maximum daily outstanding balance of the deposits placed by the Group with the CITIC Financial Institutions during the financial years ended 31 December 2019, 2020 and 2021 and the period from 1 January 2022 to 31 October 2022;
- (iii) ***Historical transaction amounts with all external service providers (and not only with the CITIC Financial Institutions):*** the historical amount of the maximum month-end balance of deposits placed by the Group with all external service providers (and not only with the CITIC Financial Institutions) in the most recent period (i.e. the period from 1 January 2022 to 31 October 2022) was approximately HK\$2.2 billion. The amount of the Proposed Deposit Services Annual Caps, being HK\$1.6 billion, represents approximately 72.7% of the aforesaid actual amount;
- (iv) ***Increasing profit and cash and deposits of the Group:*** the increasing trend of (a) profit attributable to equity shareholders of the Company in the amount of approximately HK\$1,002 million, HK\$1,023 million and HK\$1,076 million; and (b) cash and deposits of the Group in the amount of approximately HK\$1.3 billion, HK\$1.5 billion and HK\$1.8 billion for the year ended/as at 31 December 2019, 2020 and 2021, respectively, indicating a possible increase in demand by the Group for deposit services to be provided by the CITIC Financial Institutions and/or other commercial banks or financial institutions; and
- (v) ***Flexibility in use of deposit services provided by the CITIC Financial Institutions:*** since each of CITIC Bank, China CITIC Bank International, CITIC Finance and CITIC Finance International are subsidiaries of CITIC Limited, having considered their familiarity with the Group's operation and financial needs, the Group may allocate more of its cash to be deposited with the CITIC Financial Institutions if and when the terms offered by them are more favourable than the commercial terms offered by other commercial banks or financial institutions.

LETTER FROM THE BOARD

(3) Credit services

The credit services under the 2022 Financial Services Framework Agreements involve the provision of financial assistance by the CITIC Financial Institutions 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.

6. INTERNAL CONTROL AND RISK MANAGEMENT MEASURES

The Company will adopt the following measures in monitoring the transactions of members of the Group with the CITIC Financial Institutions under the 2022 Financial Services Framework Agreements:

- (1) before placing a deposit with the CITIC Financial Institution(s), the Group would compare the interest rates offered by the relevant CITIC Financial Institution 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 and which are independent third parties;
- (2) before engaging the CITIC Financial Institution(s) for the provision of settlement services, the Group would compare the service fees charged by the relevant CITIC Financial Institution 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 and which are independent third parties;
- (3) before obtaining credit facilities from the CITIC Financial Institution(s), the Group would compare the interest rates offered by the CITIC Financial Institution(s) 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 and which are independent third parties; and
- (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.

LETTER FROM THE BOARD

The Company will also adopt the following measures to monitor and mitigate the credit risks arising from the transactions under the 2022 Financial Services Framework Agreements:

- (1) the finance department will monitor the amount of daily outstanding balance of deposits placed by the Group with the CITIC Financial Institutions on a daily basis;
- (2) given that CITIC Bank and China CITIC Bank International are both licensed banks while CITIC Finance is regulated by the China Banking and Insurance Regulatory Commission, the finance department will closely monitor any enforcement news published and report to the management if necessary;
- (3) in the event that the Company discovers that any of the CITIC Financial Institutions fail to comply with any regulatory requirement which may have a material adverse impact on the Group's financial or operational positions, the Group will take proper and appropriate measures to protect its deposits, including early withdrawal of deposits or discontinuation of further deposits placed with the CITIC Financial Institution in question;
- (4) in respect of deposits placed by the Group with CITIC Finance, the articles of association of CITIC Finance states that the holding company of CITIC Finance has undertaken to increase the capital of CITIC Finance in the event that CITIC Finance has difficulty in fulfilling its payment obligation, which provides assurance to the Group on the safety of funds deposited with CITIC Finance;
- (5) in respect of CITIC Bank (a company whose H shares and A shares are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange), China CITIC Bank International and CITIC Finance International (both of which are companies incorporated in Hong Kong), the Company will review the financial statements to the extent published or available so as to monitor the performance of these companies and review the safety of funds deposited with each of CITIC Bank, China CITIC Bank International and CITIC Finance International;
- (6) 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
- (7) the Board will continue to review on a regular basis the Group's internal control system and its effectiveness.

LETTER FROM THE BOARD

In addition, the Company has in place the following measures to reduce and mitigate risks of concentration of the Group's deposits with the CITIC Financial Institutions:

- (1) in practice, the Group usually diversifies its cash deposits with a number of banks and financial institutions, taking into account the competitiveness of the deposit interest rates and whether favourable terms are offered compared with other banks or financial institutions; and
- (2) given that the Proposed Deposit Services Annual Caps will be shared amongst the CITIC Financial Institutions, there is minimal concentration risk of placing a significant amount of deposits with a single bank or financial institution.

7. 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 the CITIC Financial Institutions 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 the CITIC Financial Institutions 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 the CITIC Financial Institutions 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 principle 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 the CITIC Financial Institutions, which will allow more expedient and efficient services than those rendered by other commercial banks.

LETTER FROM THE BOARD

Furthermore, the entering into of the CITIC Bank Financial Services Framework Agreement and the entering into of the Supplemental Agreements to reset the terms of the Existing Financial Services Framework 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 are provided in the “Letter from the Independent Board Committee” in this 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.

8. LISTING RULES IMPLICATIONS

CITIC Limited is the controlling shareholder of the Company which, through its subsidiaries, namely Ease Action Investments Corp., Silver Log Holdings Ltd., Perfect New Holdings Limited and Richtone Enterprises Inc., is interested in approximately 57.73% of the total number of Shares in issue and controls the voting rights in respect of their Shares. 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 the CITIC Financial Institutions 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.

LETTER FROM THE BOARD

Settlement Services

The aggregate amounts of the maximum service fees to be paid by the Group for the settlement services to be provided by the CITIC Financial Institutions 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 the CITIC Financial Institutions 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.

9. 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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

10. 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 CITIC Bank Financial Services Framework Agreement and the Supplemental Agreements, and the Proposed Deposit Services Annual Caps. CITIC Limited through its subsidiaries, namely Ease Action Investments Corp., Silver Log Holdings Ltd., Perfect New Holdings Limited and Richtone Enterprises Inc., which together hold 57.73% of the total number of Shares in issue as at the date of this circular and controls the voting rights in respect of their Shares, 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.

LETTER FROM THE BOARD

11. 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.

12. EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on 30 December 2022 at 10:00 a.m. 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. A notice of EGM and a form of proxy for use at the EGM is enclosed with this circular.

The register of members of the Company will be closed, for the purpose of determining the identity of members who are entitled to attend and vote at the EGM, from Friday, 23 December 2022 to Friday, 30 December 2022, both days inclusive, during which period no transfers of shares will be effected. In order to be eligible to attend and vote at the EGM, all properly completed and duly stamped transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 22 December 2022.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

LETTER FROM THE BOARD

In accordance with Rule 13.39(4) of the Listing Rules, voting at the EGM will be conducted by poll. The chairman of the EGM will demand a poll for the ordinary resolutions to be proposed at the EGM in accordance with the Company's articles of association. CITIC Limited and its associates, which together hold 57.73% of the total number of Shares in issue as at the Latest Practicable Date, 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.

13. RECOMMENDATION

The Board (save for Mr. Luan Zhenjun, Mr. Wang Guoquan and Mr. Fei Yiping and the views of the independent non-executive Directors, which are provided in the "Letter from the Independent Board Committee" in this circular), having considered the terms of the provision of the deposit services to the Group by the CITIC Financial Institutions contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps, and taking into account the advice of the Independent Financial Adviser, considers that the deposit services contemplated under the 2022 Financial Services Framework Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Group and that the terms thereof, together with the Proposed Deposit Services Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve, among others, the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 27 to 28 of this circular containing its recommendation to the Independent Shareholders and the letter from the Independent Financial Adviser set out on pages 29 to 49 of this circular containing its advice and recommendation to the Independent Board Committee and to the Independent Shareholders on the provision of the deposit services to the Group by the CITIC Financial Institutions contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps.

Your attention is also drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
For and on behalf of the Board
CITIC Telecom International Holdings Limited
Xin Yue Jiang
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee to the Independent Shareholders which was prepared for inclusion in this circular.



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)

9 December 2022

To the Independent Shareholders

Dear Sir or Madam,

**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**

We refer to the circular of the Company dated 9 December 2022 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed by the Board to form the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the deposit services contemplated under the 2022 Financial Services Framework Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Group and that the terms thereof, together with the Proposed Deposit Services Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Asian Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect.

We wish to draw your attention to the letter from the Board set out on pages 6 to 26 of the Circular which contains information in connection with the deposit services contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps, and the letter from the Independent Financial Adviser set out on pages 29 to 49 of the Circular which contains its advice and recommendation in the same respect.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the provision of the deposit services to the Group by the CITIC Financial Institutions contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps, and taking into account the advice of the Independent Financial Adviser, we consider that the deposit services contemplated under the 2022 Financial Services Framework Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Group and that the terms thereof, together with the Proposed Deposit Services Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favor of the resolutions to be proposed at the EGM, which are set out in the notice convening the EGM, to approve the provision of the deposit services to the Group by the CITIC Financial Institutions contemplated under the 2022 Financial Services Framework Agreements and the Proposed Deposit Services Annual Caps.

Yours faithfully,

For and on behalf of

**Independent Board Committee of
CITIC Telecom International Holdings Limited**

Zuo Xunsheng

*Independent non-executive
Director*

Lam Yiu Kin

*Independent non-executive
Director*

Wen Ku

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from the Independent Financial Adviser, Asian Capital Limited, to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



ASIAN CAPITAL LIMITED
Suite 1405-09
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

*To: The Independent Board Committee and the Independent Shareholders of
CITIC Telecom International Holdings Limited*

9 December 2022

Dear Sirs,

**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**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the 2022 Financial Services Framework Agreements (the “**Transactions**”) and the Proposed Deposit Services Annual Caps, particulars of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company issued to the Shareholders dated 9 December 2022 (the “**Circular**”), of which this letter forms part. Capitalised terms used herein shall have the same meanings as those defined in the Circular, unless the context otherwise requires.

On 14 November 2022, the Company entered into the CITIC Bank Financial Services Framework Agreement with CITIC Bank for the provision of financial services, including but not limited to deposit services, to members of the Group. On the same day, the Company also 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 for the provision of financial services, including but not limited to deposit services, to members of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, CITIC Limited is the controlling shareholder of the Company which, through its subsidiaries, namely Ease Action Investments Corp., Silver Log Holdings Ltd., Perfect New Holdings Limited and Richtone Enterprises Inc., is interested in approximately 57.73% of the total number of Shares in issue and controls the voting rights in respect of their Shares. Since each of CITIC Bank, China CITIC Bank International, CITIC Finance and CITIC Finance International is a subsidiary of CITIC Limited, the Transactions would constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for the aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with the CITIC Financial Institutions 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 of the Company which are 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.

The aggregate amounts of the maximum service fees to be paid by the Group for the settlement services to be provided by any of the CITIC Financial Institutions 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. Accordingly, such settlement services are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements pursuant to Rule 14A.76(1) of the Listing Rules.

As the credit services to be provided by any of the CITIC Financial Institutions 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 reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

The 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 for the purpose of making recommendation to the Independent Shareholders as to whether the Transactions (including the Proposed Deposit Services Annual Caps) are on normal commercial terms, fair and reasonable, and in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole. We, Asian Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OUR INDEPENDENCE

In the last two years, there were no engagements between us and the Company. As at the Latest Practicable Date, there were no relationships or interests between us and the Company, CITIC Bank, China CITIC Bank International, CITIC Finance and CITIC Finance International, their respective subsidiaries and close associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser in respect of the Transactions.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, *inter alia*, (i) the 2022 Financial Services Framework Agreements; (ii) the announcement of the Company dated 14 November 2022 in relation to the Transactions; (iii) the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”) and the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”); (iv) the interim report of the Company for the six months ended 30 June 2022 (the “**2022 Interim Report**”); (v) supporting documents relating to the internal control measures implemented by the Company; (vi) other information as set out in the Circular; and (vii) relevant market data and information available from public sources.

We have also relied on (i) our discussions with the Directors and the senior management of the Company (collectively, the “**Management**”); (ii) our research on market data; and (iii) statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company and the Management. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us are true and accurate at the time they were made and continue to be accurate as at the Latest Practicable Date.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have also assumed that all statements of opinion made by the Management in the Circular were reasonably made after due enquiries and careful consideration.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, opinions expressed by them in the Circular have been arrived at after due and careful consideration and there are no other material facts not contained in the Circular, the omission of which would make any such statement made by them that contained in the Circular misleading in all material respects.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

While we have taken reasonable steps to satisfy the requirements under the Listing Rules, we have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company as set out in the Circular, nor have we conducted an independent investigation into the business affairs, internal control or assets and liabilities of the Group or any of the other parties involved in the Transactions. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

Our opinion is based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments or changes (including any material change in market, economic conditions, counterparty risks and the Novel Coronavirus (“COVID-19”) pandemic) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Transactions, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have taken the following principal factors and reasons into consideration:

1. Background information of the parties to the Transactions

Information of 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

quality telecommunications and ICT services to the residents, government and enterprises of Macau, and plays an important role in the ongoing development of Macau.

Financial performance of the Group

Set out below is the summary of the financial information of the Group for the two years ended 31 December 2020 and 2021 and for the six months ended 30 June 2021 and 2022 as extracted from the 2020 Annual Report, the 2021 Annual Report and the 2022 Interim Report:

	For the year ended		For the six months ended	
	31 December		30 June	
	2020	2021	2021	2022
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue				
Mobile services	957	858	427	413
Internet services	1,123	1,243	604	649
International telecommunications services	2,481	2,461	1,287	1,715
Enterprise solutions	3,227	3,165	1,583	1,538
Fixed line services	190	178	92	78
Revenue from telecommunications services	7,978	7,905	3,993	4,393
Sales of mobile handsets and equipment	945	1,581	802	584
	8,923	9,486	4,795	4,977
Profit before taxation	1,263	1,355	674	726
Profit for the year/period	1,039	1,107	546	591

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 31 December		As at 30 June
	2020	2021	2022
	<i>HK\$ million</i> (audited)	<i>HK\$ million</i> (audited)	<i>HK\$ million</i> (unaudited)
Total assets	18,337	18,382	18,167
Cash and deposits	1,519	1,793	1,721
Trade and other receivables and deposits under current assets	1,104	1,248	1,494
Total liabilities	8,528	8,206	8,071
Net assets	9,809	10,176	10,096

With reference to the 2021 Annual Report, the revenue of the Group increased from approximately HK\$8,923 million for the year ended 31 December 2020 (“FY2020”) to approximately HK\$9,486 million for the year ended 31 December 2021 (“FY2021”), representing an increase of approximately 6.3%. Such increase was mainly due to the surge in the sales of mobile handsets and equipment. The profit for the year of the Group increased from approximately HK\$1,039 million for FY2020 to approximately HK\$1,107 million for FY2021. Such an increase was mainly due to (i) a valuation gain of approximately HK\$28 million on an investment property held by the Group; and (ii) a decrease of approximately HK\$26 million in finance costs due to the repayment of bank loans during the year, and the decrease in general bank’s borrowing rates during the year. The Group’s cash and deposits increased from approximately HK\$1,519 million as at 31 December 2020 to approximately HK\$1,793 million as at 31 December 2021, representing an increase of approximately 18.0%.

As disclosed in the 2022 Interim Report, the Group recorded a profit of approximately HK\$591 million for the six months ended 30 June 2022 (“1H 2022”) as compared to a profit of approximately HK\$546 million for the six months ended 30 June 2021 (“1H 2021”). Such increase was mainly due to the combined effects of (i) an increase of approximately HK\$400 million in revenue from telecommunications services alongside a decrease of approximately HK\$218 million in revenue from the sales of mobile handsets and equipment; (ii) an increase of approximately HK\$40 million in cost of sales and services due to the surge in revenue from telecommunications services; (iii) an increase of approximately HK\$22 million in depreciation and amortisation; (iv) an increase of approximately HK\$45 million in staff cost due to the average salary increment in 1H 2022; and (v) an increase of approximately HK\$23 million in other operating expenses due to the increased allowance for doubtful debts as the Group considered the impact of the pandemic on its debtors. The Group maintained strong liquidity with undrawn bank facilities of approximately HK\$659 million and had cash and deposits of approximately HK\$1,721 million as at 30 June 2022.

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Information of CITIC Bank

CITIC Bank is a national commercial bank and a joint stock limited company incorporated in PRC regulated by China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) (“CBIRC”), 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 in turn is an indirect non-wholly owned subsidiary of CITIC Limited.

Information of China CITIC Bank International

China CITIC Bank International is a limited company incorporated in Hong Kong and a licensed bank in Hong Kong regulated by the Hong Kong Monetary Authority. China CITIC Bank International is owned as to 75% by CITIC International Financial Holdings Limited, which in turn is an indirect non-wholly owned subsidiary of China CITIC Bank Corporation Limited.

Information of CITIC Finance

CITIC Finance is an indirect non-wholly owned subsidiary of CITIC Limited which principally engages in the business of accepting deposits, providing loans and loan agency services, internal transfer and settlement and corresponding planning, finance services and financing consulting to member companies of the CITIC Group.

CITIC Finance, as a non-banking financial institution providing financial services to the Group, shall comply with the regulations of applicable laws, provisions and requirements of CBIRC, which include the Administrative Measures for Enterprise Group Finance Companies (企業集團財務公司管理辦法) (the “**Administrative Measures**”). Based on the Administrative Measures, CITIC Finance shall meet the following requirements:

- (a) The registered capital is no less than RMB100 million;
- (b) the capital adequacy ratio (資本充足率) is not less than 10%;
- (c) the balance of the inter-bank borrowing funds (拆入資金比例) shall not exceed the total capital;
- (d) the balance of guarantees (擔保比例) shall not exceed the total capital;
- (e) the ratio of investments to total capital (投資與資本總額的比例) shall not be more than 70%; and
- (f) the self-owned fixed assets to total capital ratio (自有固定資產比例) shall not be more than 20%.

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To the best knowledge of the Company, CITIC Finance is in compliance with the applicable requirements as set out in the Administrative Measures.

Information of CITIC Finance International

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

2. Principal terms of the deposit services under the 2022 Financial Services Framework Agreements

The principal terms of the deposit services under the 2022 Financial Services Framework Agreements are set out below:

1) CITIC Bank Financial Services Framework Agreement

Date

14 November 2022

Parties

- (1) the Company; and
- (2) CITIC Bank

Principal terms

The CITIC Bank Financial Services Framework Agreement is a non-exclusive framework agreement between CITIC Bank and the Company. Pursuant to the CITIC Bank Financial Services Framework Agreement, CITIC Bank and its subsidiaries in the PRC shall provide, *inter alia*, deposit services, to members of the Group.

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.

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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.

Under the CITIC Bank Financial Services Framework Agreement, CITIC Bank undertakes to (i) 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 (ii) assist the Company to comply with the relevant regulations (including but not limited to the Listing Rules).

Duration and Effective Date

Subject to the approval of the Independent Shareholders at the EGM, from CITIC Bank's perspective, the shareholders of CITIC Bank have granted an approval for the continuing connected transactions with CITIC Limited and its subsidiaries (including the Company) up to and including 31 December 2023, which covers the relevant continuing connected transactions contemplated under the CITIC Bank Financial Services Framework Agreement.

As such, the term of the CITIC Bank Financial Services Framework Agreement commences from the Effective Date until:

- (1) 31 December 2023 (both days inclusive), if the necessary approval from CITIC Bank's shareholders for continuing connected transactions with CITIC Limited and its subsidiaries beyond 31 December 2023 is not obtained; or
- (2) the date immediately preceding the third anniversary of the Effective Date (both days inclusive), if the necessary approval from CITIC Bank's shareholders for continuing connected transactions with CITIC Limited and its subsidiaries beyond 31 December 2023 is obtained on or before 31 December 2023.

II) Supplemental Agreements

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.

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Principal terms

Each of the Existing Financial Services Framework Agreements (as amended and supplemented by the Supplemental Agreements) is a non-exclusive framework agreement between the Company and each of China CITIC Bank International, CITIC Finance and CITIC Finance International, respectively. 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 financial services, inter alia, the provision of deposit services, to members of the Group.

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 subject to the relevant provisions in 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 shall 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.

Duration and Effective Date

Subject to the approval of the Independent Shareholders at the EGM, 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).

3. Proposed Annual Caps

The Transactions are subject to the Proposed Deposit Services Annual Caps representing the maximum daily outstanding balance of deposits (including accrued interests) that may be placed and maintained by the Group with the CITIC Financial Institutions as stated in the "Letter from the Board" contained in the Circular.

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As the nature of deposit services to be provided by the CITIC Financial Institutions under the 2022 Financial Services Framework Agreements are similar, the proposed annual caps for the deposit services are aggregated and the Proposed Deposit Services Annual Caps as follows:

	For the period from the Effective Date to 31 December 2022	For the financial year ending 31 December 2023	For the financial year ending 31 December 2024	For the year financial ending 31 December 2025 <i>(Note 2)</i>
Aggregate amount of maximum daily outstanding balance of deposits (including accrued interests)	HK\$1.6 billion <i>(Note 1)</i>	HK\$1.6 billion <i>(Note 1)</i>	HK\$1.6 billion <i>(Note 1)</i>	HK\$1.6 billion <i>(Note 1)</i>

Notes:

- 1 The deposits of the Group to be placed with the CITIC Financial Institutions may be denominated in multiple currencies.
- 2 Up to and including the date immediately preceding the third anniversary of the Effective Date in 2025.

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Historical Transaction Amounts

The table below sets forth the historical aggregate amounts of maximum daily outstanding balance of deposits (including the accrued interests) placed and maintained by the Group with the CITIC Financial Institutions 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
	2019	2020	2021	1 January to 31 October
	2019	2020	2021	2022
Aggregate amount of maximum daily outstanding balance of deposits (including accrued interests)	HK\$1 million	HK\$3 million	HK\$364 million	HK\$365 million
Current Annual Caps	N/A	N/A	HK\$372 million	HK\$372 million
Utilisation rate	N/A	N/A	97.8%	98.1%

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

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In determining the Proposed Deposit Services Annual Caps, the Company has made reference to (i) the historical transaction amounts as stated above; (ii) the historical amount of the maximum daily balance of deposits placed by the Group with external service providers (and not only with the CITIC Financial Institutions); (iii) 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 (iv) the expected increase in revenue and the expected amount of cash of the Group in the three financial years ending 31 December 2023, 2024 and 2025, taking into account the expected growth of the Group's business. In particular, the Proposed Deposit Services Annual Caps was determined after taking into consideration of the following factors:

- (i) ***Nature of deposits:*** the Company intends to make use of the deposit services provided by the CITIC Financial Institutions to support its operational and liquidity needs, which may require a high amount of daily balance for a short period of time (e.g. monthly payroll processing or loan processing) and is not intended for placement of termed deposit. As such, the determination of the Proposed Deposit Services Annual Caps took into account circumstances requiring the Company to deposit a larger sum for a short period of time due to such operational and liquidity needs;
- (ii) ***Growth of historical transaction amounts with the CITIC Financial Institutions:*** the growth in the historical aggregate amounts of the maximum daily outstanding balance of the deposits placed by the Group with the CITIC Financial Institutions during the financial years ended 31 December 2019, 2020 and 2021 and the period from 1 January 2022 to 31 October 2022;
- (iii) ***Historical transaction amounts with all external service providers (and not only with the CITIC Financial Institutions):*** the historical amount of the maximum month-end balance of deposits placed by the Group with all external service providers (and not only with the CITIC Financial Institutions) in the most recent period (i.e. the period from 1 January 2022 to 31 October 2022) was approximately HK\$2.2 billion. The amount of the Proposed Deposit Services Annual Caps, being HK\$1.6 billion, represents approximately 72.7% of the aforesaid actual amount;
- (iv) ***Increasing profit and cash and deposits of the Group:*** the increasing trend of (a) profit attributable to equity shareholders of the Company in the amount of approximately HK\$1,002 million, HK\$1,023 million and HK\$1,076 million; and (b) cash and deposits of the Group in the amount of approximately HK\$1.3 billion, HK\$1.5 billion and HK\$1.8 billion for the year ended/as at 31 December 2019, 2020 and 2021,

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respectively, indicating a possible increase in demand by the Group for deposit services to be provided by the CITIC Financial Institutions and/or other commercial banks/financial institutions; and

- (v) ***Flexibility in use of deposit services provided by the CITIC Financial Institutions:*** since each of CITIC Bank, China CITIC Bank International, CITIC Finance and CITIC Finance International are subsidiaries of CITIC Limited, having considered their familiarity with the Group's operation and financial needs, the Group may allocate more of its cash to be deposited with the CITIC Financial Institutions if and when the terms offered by them are more favourable than the commercial terms offered by other commercial banks or financial institutions.

In assessing the fairness and reasonableness of the Proposed Deposit Services Annual Caps, we have considered the following major factors:

- (1) According to the above table in relation to the historical transaction amounts, we noted that the utilisation rates of the Current Annual Caps were approximately 97.8% and 98.1% for the financial year ended 31 December 2021 and for the ten months ended 31 October 2022 respectively. The Current Annual Caps for the deposit services under the Existing Financial Services Framework Agreements were almost fully utilised.
- (2) We have obtained and reviewed the cashflow forecast of the Group prepared by the Management. We have reviewed and discussed with the Management the relevant assumptions used in the cashflow forecast. As advised by the Management, the cashflow forecast was prepared on the major assumptions that throughout the forecast period, (i) there will be a positive operating cash inflow from the Group's operating activities, which is in line with the business cycle of the Group (provided that there is no material adverse change to the operations of the Group); (ii) the cycle of net cash outflow from the Group's financing activities will be stable; and (iii) there will be no material capital expenditure during such period. Based on the cashflow forecast, it is expected that the cash position of the Group will remain at a level above the Proposed Deposit Services Annual Caps during the term of the 2022 Financial Services Framework Agreements. The high level of cash balance would indicate a possible increase in demand by the Group for deposit services to be provided by the CITIC Financial Institutions and/or other commercial banks/financial institutions.
- (3) Having considered that (i) the interest rates offered to the Group are potentially more favourable than those offered by other major domestic commercial banks and/or financial institutions; and (ii) the deposit services provided will enable the Group to enhance its cash management efficiency

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and better facilitate its treasury activities therefore, there will likely be an increase in the Group's demand for deposit services from the CITIC Financial Institutions, which in turn justify the significant increase in the Proposed Deposit Services Annual Caps as compared to the historical transaction amount.

- (4) The actual aggregate cash and deposits balances that were maintained by the Group with other independent commercial banks as at 31 October 2022 of approximately HK\$1.4 billion, representing 77.78% of the cash and deposits balances of the Group as at the same date. The Management will review and compare the terms and interest rates offered by independent third parties to the Group and determine whether to place the deposits with any of the CITIC Financial Institutions or other domestic commercial banks or financial institutions.
- (5) The treasury management strategies of the Group, taking into account the business development plans and the financial needs of the Group.
- (6) The diversification of the Group's portfolio of its principal bankers and/or financial institutions after its assessment of the counterparty risk and credit risk to conduct transactions with the CITIC Financial Institutions and/or other commercial banks and/or financial institutions.
- (7) As advised by the Management, the Group may from time to time opt not to deposit all its available cash with the CITIC Financial Institutions for the purpose of better risk management and to maintain business relationships with other financial institutions. However, the Company considers it reasonable to determine the Proposed Deposit Services Annual Caps with reference to the overall cash and deposits balances of the Group, and to cover the daily cash and deposits balances of Group in order to account for any unexpected fluctuations in bank balances, particularly given the current volatile economic conditions.

Based on the above, we concur with the Directors' view that the Proposed Deposit Services Annual Caps for the deposit services under the 2022 Financial Services Framework Agreements will provide the Group with greater flexibility in managing its treasury activities and the Group will be able to improve the return on its funds through higher interest income when the interest rates offered by the relevant CITIC Financial Institutions are more favourable than those offered by other commercial banks and/or financial institutions, and therefore are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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4. Reasons for and benefits of entering into the 2022 Financial Services Framework Agreements

The Company expects that it will be beneficial for the Group to utilise the financial services from the CITIC Financial Institutions 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 the CITIC Financial Institutions 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 the CITIC Financial Institutions 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 the CITIC Financial Institutions, which will allow more expedient and efficient services than those rendered by other commercial banks.

Deposit Services

As discussed with the Management, pursuant to the 2022 Financial Services Framework Agreements, the deposit interest rates offered by the relevant CITIC Financial Institution(s) to the Group will be equally or more favourable than those offered by other commercial banks. As the 2022 Financial Services Framework Agreements do not preclude the Group from depositing with other major commercial banks and/or financial institutions, the Group may at its own discretion select its financial service providers as it deems appropriate to improve the return on its funds for the benefit of the Shareholders and the Group. The Group may at its own discretion decide the amount to be deposited with any of the CITIC Financial Institutions.

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We have reviewed the Existing Financial Services Framework Agreements previously entered into and noted that the interest rate applicable to deposit made by the Group was not less than the interest rate applicable to deposit service provided by other major commercial banks. We have also reviewed and noted that the terms under the Existing Financial Services Framework Agreements in relation to the deposit services are similar to that of the 2022 Financial Services Framework Agreements.

Having considered that (i) the deposit interest rates offered by the relevant CITIC Financial Institution(s) to the Group will be equally or more favourable to the Group than those offered by major commercial banks; (ii) CITIC Bank is a reputable and licensed commercial bank in the PRC regulated by the CBIRC with an investment grade credit rating; (iii) China CITIC Bank International is a reputable and licensed commercial bank in Hong Kong regulated by the Hong Kong Monetary Authority with an investment grade credit rating; (iv) CITIC Finance is a non-banking financial institution in the PRC regulated by the CBIRC; (v) CITIC Finance International is a wholly-owned subsidiary of CITIC Limited (a company listed on the Stock Exchange with an investment grade credit rating and robust financial position) and the Group has been satisfied with its quality of services; (vi) the deposit services under the 2022 Financial Services Framework Agreements are on a non-exclusive basis and the Group may use deposit services provided by any other commercial banks and/or financial institutions based on the interest rates and/or other criteria which are in the best interest of the Shareholders and the Group; (vii) the deposit services under the 2022 Financial Services Framework Agreements offer greater flexibility for the Group to manage its treasury activities with terms no less favourable than those offered by other major domestic commercial banks and/or financial institution; and (viii) CITIC Bank and China CITIC Bank International are both licensed bank, CITIC Finance is regulated by the CBIRC and CITIC Finance International is a wholly-owned subsidiary of CITIC Limited, a company listed on the Stock Exchange with an investment grade credit rating and has substantial financial resources as at 30 June 2022 based on its interim report for the six months ended 30 June 2022 published on 15 September 2022, we concur with the Directors' view that the counterparty risk of the CITIC Financial Institutions to be relatively low comparing to most of the other third parties banks and financial institutions, we concur with the Directors' view that the terms for the deposit services pursuant to the 2022 Financial Services Framework Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

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5. Internal control measures for the 2022 Financial Services Framework Agreements

We have reviewed the documents relating to the internal control measures/policies implemented by the Company and as advised by the Management, the Company will adopt the following measures in monitoring the transactions of members of the Group with the CITIC Financial Institutions under the 2022 Financial Services Framework Agreements:

- (1) before placing a deposit with the CITIC Financial Institution(s), the Group would compare the interest rates offered by the relevant CITIC Financial Institutions 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 and which are independent third parties;
- (2) before engaging the CITIC Financial Institution(s) for the provision of settlement services, the Group would compare the service fees charged by the relevant CITIC Financial Institution(s) 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 and which are independent third parties;
- (3) before obtaining credit facilities from the CITIC Financial Institution(s), the Group would compare the interest rates offered by the relevant CITIC Financial Institutions 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; and which are independent third parties; and
- (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;

Furthermore, the Company will also adopt the following measures to monitor and mitigate the credit risks arising from the transactions under the 2022 Financial Services Framework Agreements:

- (1) the finance department will monitor the amount of daily outstanding balance of deposits placed by the Group with the CITIC Financial Institutions on a daily basis;
- (2) given that CITIC Bank and China CITIC Bank International are both licensed banks while CITIC Finance is regulated by the CBIRC, the finance department will closely monitor any enforcement news published and report to the management if necessary;

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- (3) in the event that the Company discovers that any of the CITIC Financial Institutions fail to comply with any regulatory requirement which may have a material adverse impact on the Group's financial or operational positions, the Group will take proper and appropriate measures to protect its deposits, including early withdrawal of deposits or discontinuation of further deposits placed with the CITIC Financial Institution in question;
- (4) in respect of deposits placed by the Group with CITIC Finance, the articles of association of CITIC Finance states that the holding company of CITIC Finance, has undertaken to increase the capital of CITIC Finance in the event that CITIC Finance has difficulty in fulfilling its payment obligation, which provides assurance to the Group on the safety of funds deposited with CITIC Finance;
- (5) in respect of CITIC Bank (a company whose H shares and A shares are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange), China CITIC Bank International and CITIC Finance International (both of which are companies incorporated in Hong Kong), the Company will review the financial statements to the extent published or available so as to monitor the performance of these companies and review the safety of funds deposited with each of CITIC Bank, China CITIC Bank International and CITIC Finance International;
- (6) 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
- (7) the Board will continue to review on a regular basis the Group's internal control system and its effectiveness.

In addition, the Company has in place the following measures to reduce and mitigate risks of concentration of the Group's deposits with the CITIC Financial Institutions:

- (1) in practice, the Group usually diversifies its cash deposits with a number of banks and financial institutions, taking into account the competitiveness of the deposit interest rates and whether favourable terms are offered compared with other banks or financial institutions; and
- (2) given that the Proposed Deposit Services Annual Cap will be shared amongst CITIC Financial Institutions, there is minimal concentration risk of placing a significant amount of deposits with a single bank or financial institution.

We have been given to understand that the Management considers the interest rate is a crucial factor when determining whether to place deposits with any of the CITIC Financial Institution or other domestic commercial banks or financial institutions. Based on the internal control measures put in place for the purpose of the 2022 Financial Services

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Framework Agreements, comparable quotations for deposits of similar nature would be obtained by the finance department of the Company from two to three major commercial banks or financial institutions with which the relevant member of the Group has established business relationship. These quotations will then be compared against the rates offered by the relevant CITIC Financial Institutions prior to making any deposits under the 2022 Financial Services Framework Agreements. Deposit services provided by any of the CITIC Financial Institutions will only be utilised when the interest rates offered are no less favourable than those offered by other domestic commercial banks and/or financial institutions. Such reference interest rate(s) will then be reviewed and approved by the management of the Company prior to entering into each individual specific agreement for deposit services.

We have reviewed the summary of deposit record and rate comparison of the Group from January 2022 up to September 2022 and obtained deposit samples for half of the deposit record listed in the summary provided by the Management showing the corresponding benchmark interest rates quotations. As advised by the Management, the Company will usually obtain benchmark interest rates quotations in accordance with the aforementioned internal control measures which will then be taken as reference when deciding whether to use the relevant deposit services with any of the CITIC Financial Institutions. It was noted that the interest rates offered by relevant CITIC Financial Institutions to the Group were comparable or more favourable to the interest rates offered by comparable commercial banks and financial institutions for similar type of deposits at all material times.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that (i) the 2022 Financial Services Framework Agreements have been entered in the ordinary and usual course of business of the Company; (ii) the deposit services under the 2022 Financial Services Framework Agreements are on normal commercial terms; and (iii) the Proposed Deposit Services Annual Caps are fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Board Committee advise, and we ourselves advise, the Independent Shareholders to vote in favour of the resolution(s) to be proposed in the EGM to approve the Transactions and the Proposed Deposit Services Annual Caps.

Yours faithfully,
For and on behalf of
Asian Capital Limited
Joseph LAM
Executive Director

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Mr. Joseph LAM is a licensed person registered with Securities and Futures Commission of Hong Kong and a responsible officer of Asian Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activity under the SFO. He has over ten years of experience in the corporate finance industry in Hong Kong.

1. RESPONSIBILITY STATEMENTS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:

(a) Interest in share options granted by the Company

Name of Director	Date of grant	Exercise price per Share (HK\$)	Exercise period	Approximate	
				Underlying shares pursuant to share options	percentage to the number of Shares in issue (%)
Xin Yue Jiang	24.3.2017	2.45	24.3.2018 – 23.3.2023	500	0.00003
	24.3.2017	2.45	24.3.2019 – 23.3.2024	500	
				<u>1,000</u>	
Liu Jifu	24.3.2017	2.45	24.3.2019 – 23.3.2024	1,000,000	0.027
				<u>1,000,000</u>	
Fei Yiping	24.3.2017	2.45	24.3.2018 – 23.3.2023	500,000	0.027
	24.3.2017	2.45	24.3.2019 – 23.3.2024	500,000	
				<u>1,000,000</u>	

(b) Interest in shares of CITIC Limited

Name of Director	Number of shares		Approximate percentage to the number of shares in issue (%)
	Personal interests		
Liu Jifu	840,000		0.003

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

As at the Latest Practicable Date, save for (i) Mr. Wang Guoquan, a non-executive Director, who is the vice president of CITIC Group Corporation, CITIC Limited and CITIC Corporation Limited; (ii) Mr. Liu Jifu, a non-executive Director, who is the director of CITIC Pacific Limited; and (iii) Mr. Fei Yiping, a non-executive Director, who is the director and chief financial officer of CITIC Pacific Limited, the director of Silver Log Holdings Ltd., Crown Base International Limited, Effectual Holdings Corp., Douro Holdings Inc., Peganin Corp., Richtone Enterprises Inc., Ferretti Holdings Corp. and Ease Action Investments Corp., and the deputy chairman and vice president of CITIC Pacific Communications Limited, none of the Directors was a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

4. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any of the Directors was materially interested and which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any service contract or a proposed service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, the date to which the latest published audited accounts of the Company were made up.

7. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors and their respective close associates had any interest in a business apart from the Group's business, which competed or was likely to compete directly or indirectly, with the Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

8. EXPERT AND CONSENT

The qualifications of the expert who has given opinions and advice in this circular are as follows:

Name	Qualifications
Asian Capital	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

Asian Capital has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion herein of its letter and the references to its name in the form and context in which they respectively appear.

9. EXPERT'S INTEREST

Asian Capital has confirmed that, as at the Latest Practicable Date:

- (a) it did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) it did not have any direct or indirect interest in any assets which had since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. GENERAL

The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text in the event of inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.citictel.com) from the date of this circular and up to and including the date which is 14 days from the date of this circular:

- (a) the CITIC Bank Financial Services Framework Agreement;
- (b) the financial services framework agreement dated 30 September 2021 entered into between the Company and China CITIC Bank International;
- (c) the financial services framework agreement dated 30 September 2021 entered into between the Company and CITIC Finance;
- (d) the financial services framework agreement dated 30 September 2021 entered into between the Company and CITIC Finance International;
- (e) the supplemental agreement dated 14 November 2022 entered into between the Company and China CITIC Bank International to amend and supplement the financial services framework agreement dated 30 September 2021 entered into between them;
- (f) the supplemental agreement dated 14 November 2022 entered into between the Company and CITIC Finance to amend and supplement the financial services framework agreement dated 30 September 2021 entered into between them;

- (g) the supplemental agreement dated 14 November 2022 entered into between the Company and CITIC Finance International to amend and supplement the financial services framework agreement dated 30 September 2021 entered into between by them;
- (h) the letter of recommendation from the Independent Board Committee dated 9 December 2022, the text of which is set out on pages 27 to 28 of this circular;
- (i) the letter of advice from Asian Capital dated 9 December 2022, the text of which is set out on pages 29 to 49 of this circular;
- (j) the written consent of Asian Capital, which was referred to in the section headed “8. Expert and Consent” in this appendix;
- (k) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of the shareholders of CITIC Telecom International Holdings Limited (the “**Company**”) will be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Friday, 30 December 2022 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions as ordinary resolutions of the Company. Capitalised terms used herein shall have the same meanings as defined in the circular dated 9 December 2022 issued by the Company unless otherwise specified.

ORDINARY RESOLUTIONS

“**THAT:**

- (a) the provision of deposit services under each of 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 (the “**CITIC Bank Financial Services Framework Agreement**”) (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting (the “**Chairman**”) for identification purpose), the supplemental agreement dated 14 November 2022 entered into between the Company and China CITIC Bank International Limited (the “**China CITIC Bank International Supplemental Agreement**”) (a copy of which is tabled at the meeting and marked “B” and initialled by the Chairman for identification purpose), the supplemental agreement dated 14 November 2022 entered into between the Company and CITIC Finance Company Limited (the “**CITIC Finance Supplemental Agreement**”) (a copy of which is tabled at the meeting and marked “C” and initialled by the Chairman for identification purpose) and the supplemental agreement dated 14 November 2022 entered into between the Company and CITIC Finance International Limited (the “**CITIC Finance International Supplemental Agreement**”) (a copy of which is tabled at the meeting and marked “D” and initialled by the Chairman for identification purpose), subject to the Proposed Deposit Services Annual Caps, be and are hereby confirmed, ratified and approved; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the chairman or any one director of the Company, or any two directors of the Company, if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute (and, if necessary, affix the common seal of the Company on) any such other documents, instruments and agreements and to do any such acts or things deemed by them to be incidental to, ancillary to or in connection with the implementation of and giving effect to the CITIC Bank Financial Services Framework Agreement, the China CITIC Bank International Supplemental Agreement, the CITIC Finance Supplemental Agreement and the CITIC Finance International Supplemental Agreement and the provision of deposit services contemplated thereunder.”

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

Hong Kong, 9 December 2022

Registered Office:

25th Floor, CITIC Telecom Tower
93 Kwai Fuk Road
Kwai Chung
New Territories
Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than forty-eight hours (excluding any part of a day that is a public holiday) before the time for holding the meeting or adjourned meeting (as the case may be) at which the person named in such instrument proposes to vote.
5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holders present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
7. The register of members of the Company will be closed, for the purpose of determining the identity of members who are entitled to attend and vote at the meeting, from Friday, 23 December 2022 to Friday, 30 December 2022, both days inclusive, during which period no transfers of shares will be effected. In order to be eligible to attend and vote at the meeting, all properly completed and duly stamped transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 22 December 2022.
8. Subject to the development of the Covid-19 pandemic and the requirements or guidelines of the Government of the Hong Kong Special Administrative Region and/or regulatory authorities, the Company may announce further updates on the meeting arrangement on the Company's website (www.citicetel.com) as and when appropriate.