



Press Release

FOR IMMEDIATE RELEASE

**CITIC Telecom CPC's Subsidiary Signed a Cooperation Agreement
with STNC**

To build quality cloud data center

Accelerates development of IDC and cloud computing services in key cities

Hong Kong, 26 June 2014 - CITIC Telecom International CPC Limited ("CITIC Telecom CPC"), a wholly-owned subsidiary of CITIC Telecom International Holdings Limited (SEHK: 1883), has announced that its subsidiary, China Enterprise ICT Solutions Limited ("China Entercom"), has signed a cooperation agreement with Shanghai Science & Technology Network Communications Corporation Limited ("STNC") to set up a cloud computing data center in Baoshan, Shanghai. The data center is to be built to international T3+ standard, which can meet requirements of reliability, scalability, eco-friendliness, security and management for next-generation data centers. The partnership is a realization of the Company's commitment in developing IDC services in key cities after it secured the China Internet Data Center / Internet Content Provider (IDC/ICP) license in March, and also significantly enhances STNC's competitiveness in the cloud data center market.

Building quality data center infrastructure and strengthening the strategic development of IDC and cloud computing solutions

The next-generation data center launched by the cooperation of China Entercom and STNC is located in Baoshan, Shanghai with a total area of 14,000 square meters. According to the agreement, the first phase of the data center covers around 1,000 square meters, providing approximately 500 standard racks. Among the partnership, STNC will take part in infrastructure and hardware support as well as operational maintenance, while China Entercom will act as the ICT solutions provider for business partners. The data center is expected to be launched this October, and this marks the first time that STNC has engaged in such a large-scale project with an ICT solution provider. Once the data center is launched, it is expected to provide quality IT infrastructure and a high standard cloud computing services platform with stable network access for customers, as well as strengthen its market competitiveness.



In addition, the development of a quality data center and cloud services platform can strengthen CITIC Telecom CPC and China Entercom's overall business development and strategic planning, enabling both companies to capture opportunities in the IDC and hosting services markets. It also serves as a solid foundation for the expansion on cloud services solutions, enabling customers around the globe to enjoy high-quality cloud services and more efficient cloud deployment.

Creating a new strategic landscape in the cloud computing market through a strong partnership

STNC is a powerful operator of Metropolitan Network (NSP license) and a carrier-neutral data center services provider (IDC license) with two high quality standard data centers offering more than 2,000 racks in Shanghai. It has extensive experience in serving multinational companies and organizations as well. As one of the pilot testing units for the China next-generation internet (CNGI) Customer Premises Network (CPN) under the auspices of the National Development and Reform Commission (NDRC), STNC takes on an important role in the national internet test bed managed by the Ministry of Science and Technology of the PRC. Mr. Yucheng Deng, President from STNC said, "The cloud computing solutions, including the SmartCLOUD one-stop integrated suite of cloud capabilities, of China Entercom and its parent company CITIC Telecom CPC, together with the strong infrastructure of STNC will boost STNC's competitiveness in the cloud computing data center market. Leveraging Shanghai's extensive distribution capability, we can create a new landscape in the cloud computing market."

At the same time, CITIC Telecom CPC and China Entercom will leverage STNC's extensive operational experience and strong technical support capability to strengthen the partnership between China Entercom and its business partners for gradually rolling out its IDC operations. Mr. Stephen Ho, Chief Executive Officer of CITIC Telecom CPC, said, "The cloud computing data center in Baoshan, Shanghai is just the first step in our commitment to launch IDC projects in major cities after securing the China IDC license, while other first-tier cities such as Beijing and Guangzhou will be the next. STNC's operational experience in data center infrastructure brings reliable operational support for our data center in Baoshan. The advanced design of the Baoshan data center also fulfills our strict requirements on the technical capability of our IDC. Both of us are confident about this collaboration and hope to extend our partnership to build new data centers in the near future."



Leveraging industry growth to capture immense opportunities in IDC and cloud computing markets

According to the “2013-2014 Research Report on the Development of the IDC Industry in China” issued by IDCQuan.com, the market size of the IDC industry in China in 2013 amounted to RMB26.25 billion, representing a growth of 24.7%. The increase was driven by the development of cloud computing and big data business as well as the rise in demand from internet customers. Among these factors, the cloud computing market holds the greatest potential. The market size of the IDC market in China is expected to reach RMB54.83 billion by 2016, a growth of more than 30%. The partnership between CITIC Telecom CPC’s subsidiary, China Entercom and STNC expands the Company’s nationwide operation network, complementing the seven existing cloud computing centers in the Asia Pacific region. Enterprises can thereby enjoy quality data center services and cross-regional cloud services deployment with high efficiency and cost-effectiveness.

As a trusted information and communications technology solutions provider keeping abreast of market trends, CITIC Telecom CPC has been optimizing its IDC and cloud computing service network in major cities since its subsidiary secured the IDC/ICP license from the Ministry of Industry and Information Technology (MIIT) in March 2014.

In addition to the Baoshan cloud computing data center co-established with STNC, the Company is also expanding its coverage to key cities such as Beijing, Guangzhou and Shenzhen. CITIC Telecom CPC’s ultimate goal is to strive for becoming a dedicated ICT and cloud computing solutions provider with the best quality of service and the most comprehensive offerings. Consequently, customers across global markets would benefit from its one-stop services to enhance business efficiency, create more opportunities and deliver greater value.

CITIC Telecom CPC is committed to providing the impetus behind its customers’ business growth. It will continue to grasp opportunities in the international business market and strive to achieve win-win results with its customers.

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About CITIC Telecom CPC

CITIC Telecom International CPC Limited ("CITIC Telecom CPC"), a wholly owned subsidiary of CITIC Telecom International Holdings Limited (SEHK: 1883), is a trusted Information and Communication Technology (ICT) solutions provider with multiple branches across Asia Pacific, and a preferred partner by multinational corporations and business enterprises.

CITIC Telecom CPC delivers a range of innovative services, including: **TrueCONNECT™** – an advanced MLPS VPN service which employs state-of-the-art fully meshed network, **TrustCSI™** - an integrated suite of information security solutions, and **SmartCLOUD™** – smarter, better and high performance cloud computing solutions which complement the company's managed network and managed security solutions.

As further testament to its commitment in providing premium quality services in the Asia Pacific region, the company became the first VPN service provider in Hong Kong to achieve all four ICT related certifications in ISO 9001 – Quality Management System, ISO 27001 – Information Security Management System, ISO 20000 – Information Technology Service Management System, and ISO 14001 – Environmental Management System. Learn more at www.citictel-cpc.com.

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