

SUBSTANTIAL SHAREHOLDERS AND SELLING SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, immediately following the completion of the Global Offering, the Capitalisation Issue and the Conversion and taking no account of any Shares which may be allotted and issued pursuant to the Pre-IPO Share Option Scheme and the Share Option Scheme and assuming that the Over-allotment Option is not exercised, each of the following persons (who, apart from Mr. Leung Kai Hung, Michael, are not Directors) will have an interest or a short position in Shares or underlying Shares which will be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or, who will be, directly or indirectly, interested in 10.0 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name	Capacity/Nature of Interest	Number of Shares directly or indirectly held ⁽¹⁾	Approximate percentage of issued share capital (%)
China Resources	Beneficial owner	353,099,015 (L)	47.5
CRC Bluesky ⁽²⁾	Interest of a controlled corporation	353,099,015 (L)	47.5
CRL ⁽²⁾	Interest of a controlled corporation	353,099,015 (L)	47.5
CRNC ⁽³⁾	Interest of a controlled corporation	353,099,015 (L)	47.5
Onwel Capital	Beneficial owner	116,714,614 (L) 23,815,000 (S) ⁽⁴⁾	15.7 3.2
Leung Kai Hung, Michael ⁽⁵⁾	Interest of a controlled corporation	116,714,614 (L) 23,815,000 (S) ⁽⁴⁾	15.7 3.2

If the Over-allotment Option is exercised in full, the interests or short positions of the above persons will be as follows:

Name	Capacity/Nature of Interest	Number of Shares directly or indirectly held ⁽¹⁾	Approximate percentage of issued share capital (%)
China Resources	Beneficial owner	353,099,015 (L)	45.1
CRC Bluesky	Interest of a controlled corporation	353,099,015 (L)	45.1
CRL ⁽²⁾	Interest of a controlled corporation	353,099,015 (L)	45.1
CRNC ⁽³⁾	Interest of a controlled corporation	353,099,015 (L)	45.1
Onwel Capital	Beneficial owner	116,714,614 (L) 23,815,000 (S) ⁽⁴⁾	14.9 3.0
Leung Kai Hung, Michael ⁽⁵⁾	Interest of a controlled corporation	116,714,614 (L) 23,815,000 (S) ⁽⁴⁾	14.9 3.0

SUBSTANTIAL SHAREHOLDERS AND SELLING SHAREHOLDERS

Notes:

1. The letters “L” and “S” denote the person’s long position and short position in such Shares, respectively.
2. CRL is deemed or taken to be interested in these Shares which are beneficially owned by China Resources through its wholly owned subsidiary, CRC Bluesky Limited, for the purposes of the Securities and Futures Ordinance.
3. CRNC is interested in 99.984% of the registered capital of CRL and therefore, CRNC is deemed or taken to be interested in these Shares which are beneficially owned by China Resources for the purposes of the Securities and Futures Ordinance.
4. On 12 March 2004, Onwel Capital granted KPN an option to purchase 23,815,000 Shares at the Offer Price from Onwel Capital if the Offer Price per Share for the Global Offering would reflect a valuation of less than HK\$3.8 billion with respect to the Company. Such option is exercisable by KPN within three business days immediately after the expiry of the six month period after the date on which dealings in the Shares commence on the Stock Exchange.
5. Mr. Leung Kai Hung, Michael, an executive Director of our Company, is interested in 100% of the interests in Onwel Capital. Therefore, Mr. Leung Kai Hung, Michael is deemed or taken to be interested in the Shares which are beneficially owned by Onwel Capital.

For details of the Directors’ interests in Shares immediately following the completion of the Global Offering, please refer to the paragraph headed “4. Disclosure of Interests — A. Interests of Directors in the share capital of the Company” in Appendix V to this prospectus.

Save as disclosed herein, the Directors are not aware of any person who will, immediately following the Global Offering, the Capitalisation Issue and the Conversion, have an interest or a short position in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or, be directly or indirectly interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and are therefore regarded as substantial shareholders of the Company under the Listing Rules.

SELLING SHAREHOLDERS

It is currently intended that pursuant to the International Underwriting Agreement, the Selling Shareholders, being KPN, Overseas Telecom AB and Celtel, will offer 47,630,000, 47,630,000 and 23,815,000 Shares, respectively, for sale in the International Placing.

The shareholdings of each of the Selling Shareholders immediately before the Global Offering, Capitalisation Issue and the Conversion are as follows:

Selling Shareholder	Shares	Percentage of issued Shares (%)	Preference Shares	Percentage of issued Preference Shares (%)
KPN	47,630,000	11.0	—	—
Overseas Telecom AB	47,630,000	11.0	—	—
Celtel	23,815,000	5.5	4,366,154	2.8

SUBSTANTIAL SHAREHOLDERS AND SELLING SHAREHOLDERS

On 3 February 2004, Celtel, together with the other Preference Shareholders, gave an undertaking to the effect that conditional on the Capitalisation Issue taking effect (which is expected to be immediately after the closing of the Global Offering but before commencement of dealings on the Stock Exchange of the Shares on 31 March 2004), they will convert their respective Preference Shares into fully paid Shares at the conversion rate of one Share for every one Preference Share upon the terms of the Articles of Association.

The shareholdings of each of the Selling Shareholders immediately after completion the Global Offering (assuming that the Over-allotment Option is not exercised), the Capitalisation Issue and the Conversion are as follows:

Selling Shareholder	Shares	Percentage of issued Shares	Preference Shares
KPN	—	—	—
Overseas Telecom AB	—	—	—
Celtel	4,536,228 <i>(Note 1)</i>	0.6	—

Note 1: The number of Shares to be issued to Celtel pursuant to the Capitalisation Issue assumes the Offer Price being HK\$5.10 per Share, being the mid-point of the price range stated in this prospectus.

On 12 March 2004, Onwel Capital granted KPN an option to purchase 23,815,000 Shares at the Offer Price from Onwel Capital if the Offer Price per Share for the Global Offering would reflect a valuation of less than HK\$3.8 billion with respect to the Company. Such option is exercisable by KPN within three business days immediately after the expiry of the six month period after the date on which dealings in the Shares commence on the Stock Exchange.