

## UNDERWRITERS

### Hong Kong Underwriters

#### *Lead Manager*

UBS AG

#### *Co-Lead Managers*

ABN AMRO Rothschild

BOCI Asia Limited

CLSA Limited

#### *Co-Managers*

The Bank of East Asia, Limited

CAF Securities Company Limited

Dao Heng Securities Limited

First Shanghai Securities Limited

Kingsway Financial Services Group Limited

### International Underwriters

UBS AG

ABN AMRO Rothschild

CLSA Limited

## UNDERWRITING ARRANGEMENTS AND EXPENSES

### Hong Kong Public Offering

#### *Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Underwriting Agreement, the Company is initially offering 26,852,500 Offer Shares for subscription by the public in Hong Kong on the terms and subject to the conditions set out in this prospectus and the Application Forms. Subject to:

- (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including the additional Shares which may be issued and sold pursuant to the exercise of the Over-allotment Option) and the additional Shares which may be issued pursuant to the exercise of the options which may be granted under the Pre-IPO Share Option Scheme, Share Option Scheme, the Capitalisation Issue and the Conversion (subject only to allotment and/or despatch of share certificates);
- (b) the International Underwriting Agreement having been duly executed and delivered and having become unconditional in accordance with its terms (save as regards any condition relating to the Hong Kong Underwriting Agreement having become unconditional); and
- (c) certain other conditions set out in the Hong Kong Underwriting Agreement (including but not limited to the Offer Price being agreed between the Company and the Global Coordinator (on behalf of the Hong Kong Underwriters)),

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the Hong Kong Underwriters have agreed severally, and not jointly or jointly and severally, to subscribe for or purchase, or procure subscribers or purchasers for, their respective applicable proportions of the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering, on the terms and subject to the conditions set out in this prospectus and the Application Forms and the Hong Kong Underwriting Agreement.

### *Grounds for termination of the Hong Kong Underwriting Agreement*

The respective obligations of the Hong Kong Underwriters to subscribe for or purchase, or to procure subscribers or purchasers for, the Hong Kong Offer Shares will be subject to termination if certain events, including but not limited to the following, shall occur prior to 8:00 a.m. on the day on which dealings in the Shares commence on the Stock Exchange:

- (a) (1) there is any change or prospective change in the business or in the financial or trading position of the Company; or
- (2) any event or series of events resulting or representing or likely to result in any change or development in local, national, regional or international financial, political, industrial, economic, currency, military, conflict-related, legal, fiscal, exchange control, regulatory, equity or other financial market or other conditions, circumstances or matters shall have occurred, happened or come into effect; or
- (3) any new law or change (whether or not forming part of a series of changes) in existing laws or any change in the interpretation or application thereof by any court or public, regulatory or governmental agency or authority of any relevant jurisdiction shall have been introduced or effected; or
- (4) a change or development occurs involving a prospective change in taxation or exchange control (or in the implementation of any exchange control) or foreign investment regulations in Hong Kong, the PRC, the U.S., the European Union (or any member thereof), or elsewhere; or
- (5) the imposition of economic or other sanctions, in whatever form, directly or indirectly, by the U.S., the European Union (or any member thereof) or any other country or organisation in Hong Kong, the PRC or any other jurisdiction relevant to the Company; or
- (6) any event, or series or events, beyond the control of the Hong Kong Underwriters (including without limitation, any acts of God, acts of government, war, riot, public disorder, civil commotion, fire, flooding, explosion, epidemic (including but not limited to SARS), terrorism, strike or lockout) shall have occurred, happened or come into effect; or
- (7) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or crisis involving or affecting Hong Kong, the PRC, the U.S., the European Union (or any member thereof) or any other jurisdiction relevant to the Company; or
- (8) there is a change in the system under which the value of the HK dollar is linked to that of the U.S. dollar; or

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- (9) the imposition or declaration of (i) any suspension or material limitation on dealings in shares or securities generally on the Stock Exchange, New York Stock Exchange, Inc., London Stock Exchange plc or any other stock exchange or (ii) any moratorium on banking activities or disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting Hong Kong, New York, London or any other jurisdiction,

which in the sole and absolute opinion of UBS:

- (i) is or will or may be materially adverse to the business, financial, trading or other condition or prospects of the Company and/or, in the case of paragraph (a) (4) above, to any present or prospective shareholders in its capacity as such; or
  - (ii) has or will or may have a material adverse effect on the success of the Hong Kong Public Offering, the International Placing or the level of Offer Shares being applied for or accepted or the distribution of Offer Shares; or
  - (iii) is or will or may make it impracticable, inadvisable or inexpedient (i) for any material part of the Hong Kong Underwriting Agreement, the International Underwriting Agreement, the Hong Kong Public Offering, the International Placing and/or the Global Offering to be performed or implemented as envisaged or (ii) to proceed with the Hong Kong Public Offering, the International Placing and/or the Global Offering on the terms and in the manner contemplated in this prospectus or the final offering circular, as the case may be; or
- (b) any of the Hong Kong Underwriters shall become aware of the fact that, or have reasonable cause to believe that:
- (i) any of the warranties given by the warrantors under the Hong Kong Underwriting Agreement is untrue, inaccurate, misleading or breached in any material respect when given or repeated as determined by UBS in its sole and absolute discretion;
  - (ii) any statement contained in this prospectus is untrue, incorrect or misleading in any material respect, or any matter arises or is discovered which would, if this prospectus and the Application Forms were to be issued at that time, constitute a material omission as determined by UBS in its sole and absolute discretion; or
  - (iii) there has been a material breach on the part of the warrantors under the Hong Kong Underwriting Agreement of any of the provisions of the Underwriting Agreement as determined by UBS in its sole and absolute discretion.

### *Undertakings*

We have undertaken to the Stock Exchange that, except pursuant to the Global Offering, the Over-allotment Option, the Capitalisation Issue, the Conversion and the exercise of the subscription rights attaching to the options conditionally granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme:

- (i) at any time during the period of six months from the date on which dealings in the Shares commence on the Stock Exchange (the “First Six-month Period”), we will not without the prior written consent of the Stock Exchange and unless in compliance with the requirements of the

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Listing Rules, allot or issue or agree to allot or issue any Shares or other securities of the Company (including warrants or other convertible securities) or grant or agree to grant any options or rights over any Shares or other securities of the Company or enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequence of ownership of any Shares or offer to or agree to do any of the foregoing or have any intention to do so; and

- (ii) within a period of six months commencing from the expiry of the First Six-month Period (the “Second Six-month Period”), we will not allot or issue any Shares or other securities of the Company (including warrants or other convertible securities) or grant or agree to grant any options or rights over any Shares or other securities of the Company or enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequence of ownership of any Shares or offer to or agree to do any of the foregoing or announce any intention to do so to the extent that such action would result in China Resources ceasing to be our controlling shareholder (as defined in the Listing Rules).

We have undertaken to UBS and each of the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, and will undertake to UBS and each of the International Underwriters pursuant to the International Underwriting Agreement, and each of China Resources and Onwel Capital has undertaken to UBS and each of the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, and will undertake to UBS and each of the International Underwriters pursuant to the International Underwriting Agreement, to use its best endeavours to procure that:

- (A) except pursuant to the Global Offering (including pursuant to the Over-allotment Option), the Capitalisation Issue, the Conversion and pursuant to the grant or exercise of the options granted under the Share Option Scheme and the Pre-IPO Share Option Scheme, at any time after the date of the Hong Kong Underwriting Agreement and the International Underwriting Agreement, respectively, up to and including the date falling six months after the date on which dealings in the Shares on the Stock Exchange commence, we will not without the Global Coordinator’s prior written consent and unless in compliance with the requirements of the Listing Rules:
  - (i) offer, allot, issue or sell, or agree to allot, issue or sell, grant or agree to grant any option, right or warrant over, either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exchangeable for such Shares or enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares or such securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise or announce any intention to do so; and
  - (ii) issue or create any mortgage, pledge, charge or other security interest or any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest therein (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares or securities of the Company) or repurchase any Shares or securities of the Company or grant any options, warrants or other rights to subscribe for any Shares or other securities of the Company or agree to do any of the foregoing, except pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option), the Capitalisation Issue, the Conversion or the exercise of the subscription rights attaching to the options that may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme; and

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- (B) that we will not do any of the acts set out in the aforementioned clauses (A)(i) and (A)(ii) above such that China Resources, directly or indirectly, would cease to be a controlling shareholder of the Company (within the meaning defined in the Listing Rules) during the Second Six-month Period.

China Resources has undertaken to the Stock Exchange that:

- (i) it will not, without the prior written consent of the Stock Exchange and unless in compliance with the requirements of the Listing Rules, during the First Six-month Period, dispose of any of the Shares in respect of which China Resources is shown by this prospectus to be the owner (the “Locked-up Shares”);
- (ii) it will not, without the prior written consent of the Stock Exchange, within the Second Six-month Period dispose of any of the Locked-up Shares if, immediately following such disposal, it would cease to be our controlling shareholder (as defined in the Listing Rules); and
- (iii) it will, on disposal of such Lock-up Shares during the Second Six-month Period, take all reasonable steps to ensure that any such disposal will not create a disorderly or false market for any Shares or other securities of the Company or interests therein.

Further, each of China Resources, Onwel Capital and Celtel has undertaken to us, the Global Coordinator and the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement and will undertake to each of us, the Global Coordinator and the International Underwriters pursuant to the International Underwriting Agreement, that it will not, without the prior written consent of the Global Coordinator and unless in compliance with the requirements of the Listing Rules, at any time after the date of the Hong Kong Underwriting Agreement and the International Underwriting Agreement, respectively, up to and including the date falling six months after the date on which dealings in the Shares on the Stock Exchange commence, directly or indirectly, and will procure that none of its associates (as defined in the Listing Rules) or companies controlled by it or any nominee or trustee holding in trust for it shall, offer for sale, sell, transfer, contract to sell, or otherwise dispose of (including without limitation by the creation of any option, right, warrant to purchase or otherwise transfer or dispose of, or any lending, charges, pledges or encumbrances over) any of the Shares in respect of which it is shown in this prospectus to be the beneficial owner (directly or indirectly) or any other securities convertible into or exchangeable for or which carry a right to subscribe, purchase or acquire any such Shares or enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of the acquisition or ownership of any such Shares, save in connection with any stock lending arrangement entered or to be entered into between Onwel Capital and UBS, Celtel’s portion of the Shares to be sold under the Global Offering and further that, in the event of a disposal of any Shares or any interest therein at any time during the Second Six-month Period, it will take all reasonable steps to ensure that any such act, if done, will not create a disorderly or false market for any Shares or other securities of the Company or any interest therein.

China Resources has also undertaken to us, the Global Coordinator and the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement and will undertake to each of the Company, the Global Coordinator and the International Underwriters pursuant to the International Underwriting Agreement that it will not without the prior written consent of UBS, directly or indirectly, and will procure that none of its associates or companies controlled by it or any nominee or trustee holding in trust for it shall at any time during the Second Six-month Period do any of the acts set out in the immediately preceding paragraph that may result in China Resources ceasing to be the controlling shareholder (as defined in the Listing Rules) of the Company at any time during the Second Six-month Period.

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China Resources has further undertaken to us, the Global Coordinator, the Hong Kong Underwriters and the Stock Exchange and will undertake to us, the Global Coordinator and the International Underwriters pursuant to the International Underwriting Agreement that it will, at any time after the date of this prospectus up to and including the date falling 12 months after the date on which dealings in the Shares commence on the Stock Exchange immediately inform us, the Global Coordinator and the Stock Exchange of:

- (i) any pledges or charges of any of the Shares or other securities of the Company beneficially owned by it and the number of such Shares or other securities so pledged or charged; and
- (ii) any indication received by it, either verbal or written, from any pledgee or chargee of any of our Shares or other securities pledged or charged that any of such Shares or other securities of the Company will be disposed of.

We will also inform the Stock Exchange as soon as we have been informed of the above matters (if any) by China Resources and disclose such matters by way of a press notice as soon as possible after being so informed by China Resources.

### **International Placing**

In connection with the International Placing, it is expected that the Company and the Selling Shareholders will enter into the International Underwriting Agreement with, amongst others, the International Underwriters. Under the International Underwriting Agreement, and subject to the conditions set out therein the International Underwriters would severally, and not jointly or jointly and severally, agree to procure subscribers or purchasers for, or failing which to subscribe for or purchase themselves, the International Placing Shares initially being offered pursuant to the International Placing which are not taken up under the International Placing.

Under the International Underwriting Agreement, we intend to grant to UBS the Over-allotment Option, exercisable by UBS at any time from the date of the International Underwriting Agreement until 30 days from the last day for the lodging of applications under the Hong Kong Public Offering to require us to allot and issue up to an aggregate of 40,278,000 additional new Shares, representing not more than 15.0 per cent. of the number of Offer Shares initially available under the Global Offering solely for the purpose of covering over-allocations in the International Placing, if any. Please refer to the paragraph headed “Stabilisation” in the section headed “Structure of the Global Offering” for further details.

### **Total Commission and Expenses**

The Hong Kong Underwriters will receive from our Company a gross commission of 2.5 per cent. on the aggregate Offer Price of all the Hong Kong Offer Shares initially being offered under the Hong Kong Public Offering, out of which they will pay any sub-underwriting commissions. For unsubscribed Hong Kong Offer Shares reallocated to the International Placing, the Company will pay to the International Underwriters an underwriting commission at the rate applicable to the International Placing Shares and such commission will be paid to the International Underwriters and not the Hong Kong Underwriters.

The aggregate commissions and estimated expenses payable by the Company and the Selling Shareholders in relation to the Global Offering, including, without limitation, the Stock Exchange listing fee, SFC transaction levy, investor compensation levy, Stock Exchange trading fee, legal and other professional fees, printing and other fees and expenses relating thereto are estimated to amount to approximately HK\$54.3 million in aggregate (assuming that the Over-allotment Option is not exercised and assuming an Offer Price of HK\$5.10 per Share, being the mid-point of the stated range of the Offer Price

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between HK\$4.55 and HK\$5.65 per Share), of which approximately HK\$39.1 million will be paid by us and approximately HK\$15.2 million will be paid by the Selling Shareholders. The Underwriters have agreed to reimburse to the Company certain of its expenses relating to the Global Offering. Each Selling Shareholder shall be responsible for all fixed transfer duty and ad valorem stamp duty (both the seller and buyer portions, if applicable) in relation to the sale and transfer of its portion of the Shares to be sold under the International Placing.

### **Hong Kong Underwriters' Interests in our Company**

Save as disclosed in this prospectus and save for their obligation under the Hong Kong Underwriting Agreement, as at the Latest Practicable Date, none of the Hong Kong Underwriters is interested directly or indirectly in any shares or other securities of our Company or has any right or option (whether legally enforceable or not) to subscribe for, or nominate persons to subscribe for, any shares or other securities of our Company.