

Dated 18th December 2012

**ONWAY ASSETS HOLDINGS LTD.**

**CITIC INVESTMENT (HK) LIMITED**

**AND**

**CITIC PACIFIC LIMITED**

---

**AGREEMENT**

relating to  
the sale and purchase of shares in  
Silver Log Holdings Ltd.

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**REED SMITH RICHARDS BUTLER**

20th Floor, Alexandra House

18 Chater Road, Central

Hong Kong

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THIS AGREEMENT dated 18th December 2012 is made

**BETWEEN:-**

- (1) **Onway Assets Holdings Ltd.**, a company incorporated in the British Virgin Islands and having its registered office at Arias, Fabrega & Fabrega Trust Co. BVI Limited, 325 Waterfront Drive, Omar Hodge Building, 2<sup>nd</sup> Floor, Wickham's Cay, Road Town, Tortola, British Virgin Islands ("**Vendor**");
- (2) **CITIC Investment (HK) Limited**, a company incorporated in Hong Kong whose registered address is at Room 2118 Hutchison House 10 Harcourt Road Hong Kong ("**Purchaser**");
- (3) **CITIC Pacific Limited**, a company incorporated in Hong Kong whose registered address is at 32/F CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong ("**CITIC Pacific**").

**WHEREAS:-**

- (A) as at the date hereof, CITIC Telecom has an authorised share capital of HK\$500,000,000.00 divided into 5,000,000,000 CITIC Telecom Shares, of which 2,386,067,870 CITIC Telecom Shares have been issued and are fully paid;
- (B) the Vendor legally and beneficially owns 1 Share, representing 100% of the issued share capital of the Company;
- (C) on or before Completion, the Company will own 444,500,000 CITIC Telecom Shares, representing approximately 18.63% of the entire issued share capital of CITIC Telecom;
- (D) CITIC Pacific legally and beneficially owns the Sale Loan; and
- (E) the Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Share and procure the sale of the Sale Loan by CITIC Pacific subject to and upon the terms and conditions hereinafter set out.

**IT IS HEREBY AGREED:-**

1. INTERPRETATION

- (A) In this Agreement and the Recitals hereto, unless the context otherwise requires:-

"**Assignment**" means an assignment substantially in the form set out in Appendix B;

"**Business Day**" means a day (other than a Saturday) on which banks are open for business in Hong Kong;

“**CITIC Pacific**” means CITIC Pacific Limited, a company incorporated in Hong Kong and whose shares are listed on the Stock Exchange (stock code: 267), being the holding company of the Vendor;

“**CITIC Telecom**” means CITIC Telecom International Holdings Limited, a company incorporated in Hong Kong and whose shares are listed on the Stock Exchange (stock Code: 1883);

“**CITIC Telecom Shares**” means ordinary shares of HK\$0.10 each in the capital of CITIC Telecom;

“**Company**” means Silver Log Holdings Ltd., a company incorporated in the British Virgin Islands, particulars of which are set out in Schedule 2;

“**Completion**” means completion of the sale and purchase of the Sale Share and the Sale Loan and, where the context requires, also means the performance by the parties of their respective obligations in accordance with the provisions of Clause 6(B);

“**Completion Date**” means the date of completion set out in Clause 6(A) or such other date for Completion as the parties may agree;

“**Condition**” means the condition set out in Clause 3(A);

“**Encumbrance**” means any pledge, charge, lien, mortgage, debenture, hypothecation, security interest, pre-emption right, option and any other Encumbrance or third party right or claim of any kind or any agreement to create any of the above;

“**Group**” means the Company and its subsidiaries from time to time;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People's Republic of China;

“**Management Rights Agreement**” means the management rights agreement to be entered into between, among others, the Company and certain wholly-owned subsidiaries of CITIC Pacific that hold CITIC Telecom Shares, the agreed form of which is set out in Appendix A;

“**PRC**” means the People's Republic of China but for the purposes of this Agreement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

“**Regulatory Approvals**” means the approvals, consents and authorisations from all relevant regulatory authorities in the PRC, being those necessary to effect the transactions contemplated under this Agreement;

“**Sale Loan**” means all outstanding liabilities owed by the Company to CITIC Pacific, in the amount of HK\$773,429,992 as at Completion;

“**SFC**” means the Securities and Futures Commission of Hong Kong;

“**Share**” means ordinary share of US\$1.00 each in the capital of the Company;

“**Sale Share**” means 1 Share representing the entire issued share capital of the Company;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**Warranties**” means the representations, warranties and undertakings on the part of the Vendor given pursuant to Clause 5(A); and

“**HKS**” means Hong Kong dollars.

- (B) In this Agreement, words importing the singular include the plural and vice versa, words importing gender or the neuter include both genders and the neuter and references to persons include bodies corporate or unincorporate.
- (C) References in this Agreement to statutory provisions are references to those provisions as respectively amended or re-enacted from time to time (if and to the extent that the provisions as amended or re-enacted are for the purposes hereof equivalent to those provisions before such amendment or re-enactment) and shall include any provision of which there are re-enactments (if and to the extent aforesaid) and any subordinate legislation made under such provisions.
- (D) References herein to “Clauses”, “Sub-clauses”, “Schedules” and “Appendix” are to clauses and sub-clauses of and schedules to and appendix to this Agreement respectively and a reference to this Agreement includes a reference to each Schedule.
- (E) The headings in this Agreement are for convenience only and shall not affect its interpretation.

## 2. SALE AND PURCHASE

Subject to the provisions of this Agreement, the Vendor shall sell the Sale Share and procure the sale of the Sale Loan by CITIC Pacific and the Purchaser shall purchase the Sale Share and the Sale Loan, free from all rights of pre-emption, options, liens, claims, equities, charges, Encumbrances or third-party rights and with all rights attached as at the Completion Date. For the avoidance of doubt, any dividend, distribution or any return of capital declared, paid or made by CITIC Telecom prior to the Completion Date in respect of the CITIC Telecom Shares owned by the Company shall belong to the Vendor.

## 3. CONDITION

- (A) Completion of the sale and purchase of the Sale Share and the Sale Loan pursuant hereto shall be conditional upon all Regulatory Approvals and third party consents (if any) required to be made or obtained prior to Completion shall have been made or obtained;
- (B) In the event that the Condition is not fulfilled within 180 Business Days from the date of this Agreement (or such later date as the parties may agree in writing), this Agreement

shall be of no further effect, the rights and obligations of the parties under this Agreement shall lapse, and the parties hereto shall be released from such obligations without any liability (save in respect of any prior breach of this Agreement).

4. CONSIDERATION

- (A) The total consideration for the Sale Share and the Sale Loan shall be HK\$773,430,000 (the "Purchase Price"). For the purposes of apportionment, the consideration for the Sale Share shall be HK\$8 and the consideration for the Sale Loan shall be HK\$773,429,992.
- (B) The Purchase Price shall be payable by the Purchaser to the Vendor by telegraphic transfer for value, in cleared funds, on the Completion Date to an account designated by the Vendor or in such other manner as the Vendor may direct. For the avoidance of doubt, any bank charges incurred shall be borne by the Purchaser.

5. REPRESENTATIONS AND WARRANTIES

- (A) The Vendor warrants to the Purchaser that:
  - (i) the Share set opposite its name in column (2) of Schedule 1 is validly issued and fully paid up;
  - (ii) it has full power and authority and/or capacity and has taken all action necessary to execute and deliver and to perform its obligations under this Agreement;
  - (iii) it is the sole legal and beneficial owner of the Share set opposite its name in column (2) of Schedule 1 free from all Encumbrance, any existing or contingent legal disputes, as well as any other defects in title and is otherwise entitled to sell the full legal and beneficial ownership of the same free from all Encumbrance, any existing or contingent legal disputes, as well as any other defects in title;
  - (iv) save for the Condition, it has obtained all relevant consents and authorisations required by it to enter into and perform this Agreement and the Agreement constitutes lawful, valid, binding and enforceable obligations on it in accordance with its terms;
  - (v) save in respect of the Sale Loan, there are no other outstanding liabilities or contingent liabilities relating to the Company
  - (vi) there is no litigation or other legal proceedings or dispute in existence or threatened in writing against it in respect of, or its entitlement to dispose of, the Share being sold and so far as it is aware, there are no circumstances which are likely to give rise to any such proceedings or dispute; and

- (vii) as at Completion, the Company will be the sole and beneficial owner of 444,500,000 CITIC Telecom Shares, representing approximately 18.63% of the entire issued share capital of CITIC Telecom, free from all Encumbrance, any existing or contingent legal disputes, as well as any other defects in title.
- (B) The Vendor undertakes to promptly notify the Purchaser in writing of any matter or thing of which it becomes aware which is or may be a material breach of or materially inconsistent with any of the Warranties before Completion.
- (C) CITIC Pacific and the Vendor shall be responsible for and shall compensate the Purchaser for all loss suffered by the Purchaser as a result of any of the Warranties being false.

## 6. COMPLETION

- (A) Completion shall take place on the second Business Day after satisfaction of the Condition at 5 p.m. at 30/F CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong (or at such other time and/or place as the parties may otherwise agree).
- (B) On Completion, all (but not part only) of the following business shall be transacted:
  - (i) the Vendor shall deliver or procure delivery to the Purchaser of:-
    - (a) duly executed instrument of transfer in respect of the Sale Share in favour of the Purchaser;
    - (b) share certificate in respect of the Sale Share;
    - (c) the Management Rights Agreement duly executed (in triplicate) by Richtone Enterprises Inc. and Ease Action Investments Corp.;
    - (d) resignation letter of such directors of the Company and CITIC Telecom as the Purchaser may require confirming that such directors have no claims against any member of the Group for compensation for loss of office or otherwise;
    - (e) the certificate of incorporation, rubber chops, common seal and all copies of memorandum and articles of association of the Company;
    - (f) the books and records of the Company duly made up to date and any unissued share certificates and such other statutory records of the Company as may exist;
    - (g) the Assignment duly executed (in triplicate) by CITIC Pacific and the Company in favour of the Purchaser (or its nominee(s)); and

- (ii) the Vendor shall procure that board resolutions of the Company and CITIC Telecom are passed approving the resignation of such directors of the Company and CITIC Telecom respectively as the Purchaser may require and/or the appointment of such number of persons as the Purchaser may require; and
  - (iii) upon receipt of the documents referred to in sub-Clause (i) above, the Purchaser shall:-
    - (a) pay the Purchase Price to the Vendor in accordance with Clause 4(B);
    - (b) deliver to the Vendor the Management Rights Agreement duly executed (in triplicate) by the Company; and
    - (c) deliver to the Vendor the Assignment duly executed (in triplicate) by the Purchaser (or its nominee(s)).
- (C) Neither the Vendor nor the Purchaser shall be obliged to complete the sale and purchase of the Sale Share and the Sale Loan unless the other complies fully with the requirements of Clause 6(B).

## 7. ANNOUNCEMENTS

No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to relevant law or the requirements of the Stock Exchange, or any other exchanges on which the CITIC Telecom Shares are listed, or any other recognised stock exchange or the SFC. Any announcement by any party required to be made pursuant to any relevant law or the requirements of any stock exchange or the SFC shall be issued only after such prior consultation with the other party as is reasonably practicable in the circumstances.

## 8. NOTICES

Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent by post or airmail or by facsimile transmission to the relevant party at its address or fax number set out below (or such other address or fax number as the addressee has by five (5) Business Days' prior written notice specified to the other party):-

To the Vendor:                      Onway Assets Holdings Ltd.

Fax Number                      :                      (852) 2918 4838  
Attention                            :                      CITIC Secretaries Limited

To the Purchaser: CITIC Investment (HK) Limited

Fax Number : (852) 2861 1901  
Attention : South-Sino Consultants Limited

To CITIC Pacific: CITIC Pacific Limited

Fax Number : (852) 2918 4838  
Attention : Company Secretary

Any notice, demand or other communication so addressed to the relevant party (a) if given or made by letter shall be deemed received 3 Business Days after the date of despatch and (b) if given or made by fax, shall be deemed made when despatched.

9. MISCELLANEOUS

- (A) All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters then already performed.
- (B) If at any time one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect under the laws of any relevant jurisdiction, the validity, legality, enforceability or performance in that jurisdiction of the remaining provisions hereof or the validity, liability, enforceability or performance under the laws of any other relevant jurisdiction of those or any other provisions hereof shall not thereby in any way be affected or impaired.
- (C) Time shall be of the essence of this Agreement, both as regards the dates and periods specifically mentioned and as to any dates and periods which may, by agreement in writing between the parties hereto, be substituted therefor.
- (D) Each party shall bear its own legal and professional fees, costs and expenses, duties and levies (if any) incurred in connection with this Agreement.
- (E) This Agreement shall be binding on and shall enure for the benefit of the successors and assigns of the parties hereto but shall not be capable of being assigned by any party without the written consent of the other party.
- (F) This Agreement sets forth the entire agreement and understanding between the parties or any of them in relation to sale and purchase of the Sale Share and the Sale Loan and the other transactions contemplated by this Agreement and supersedes and cancels in all respects all previous agreements, letters of intent, correspondence, understandings, agreements and undertakings (if any) between the parties hereto with respect to the subject matter hereof, whether written or oral.

- (G) This Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any party may enter into this Agreement by signing any such counterpart.

10. GOVERNING LAW AND JURISDICTION

- (A) This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the parties hereto hereby submit to the non-exclusive jurisdiction of the Courts of Hong Kong in connection herewith.
- (B) The submission to the jurisdiction of the courts of Hong Kong shall not (and shall not be construed so as to) limit the right of any of the parties hereto to take proceedings against any of the other parties hereto in any court of competent jurisdiction, nor shall the taking of proceedings by any of the parties hereto in any one or more jurisdictions preclude it from taking proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

**SCHEDULE 1**

(1)

(2)

(3)

(4)

| <b><u>Vendor</u></b>       | <b><u>Sale Share</u></b> | <b><u>Percentage Shareholding</u></b> | <b><u>Consideration for Sale Share</u></b> |
|----------------------------|--------------------------|---------------------------------------|--|
| Onway Assets Holdings Ltd. | 1                        | 100%                                  | HK\$8                                      |

## SCHEDULE 2

### **PARTICULARS OF THE COMPANY**

|                                       |   |  |
|---------------------------------------|---|--|
| Company Name                          | : | Silver Log Holdings Ltd.                           |
| Place of Incorporation                | : | British Virgin Islands                             |
| Date of Incorporation                 | : | 5 January 2010                                     |
| Authorised Share Capital              | : | 50,000 shares of US\$1.00 each                     |
| Issued Share Capital                  | : | 1 share of US\$1.00                                |
| Registered and beneficial Shareholder | : | Onway Assets Holdings Ltd. – 1 Share (100%)        |
| Directors                             | : | Zhang Jijing<br>Vernon Francis Moore<br>Fei Yiping |
| Business                              | : | Investment holding                                 |

**APPENDIX A**

**Form of Management Rights Agreement**

**APPENDIX B**

**Form of Assignment**

Dated \_\_\_\_\_

- (1) CITIC PACIFIC LIMITED
- (2) CITIC INVESTMENT (HK) LIMITED
- (3) SILVER LOG HOLDINGS LTD.

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ASSIGNMENT OF LOAN

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**THIS ASSIGNMENT** dated

is made between:

- (1) CITIC Pacific Limited, a company incorporated in Hong Kong whose registered address is at 32/F CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong; (the "Assignor")
- (2) CITIC INVESTMENT (HK) LIMITED, a company incorporated in Hong Kong whose registered address is at Room 2118 Hutchison House 10 Harcourt Road Hong Kong (the "Assignee"); and
- (3) SILVER LOG HOLDINGS LTD., a company incorporated in the British Virgin Islands and having its registered office at Arias Fabrega & Fabrega Trust Co. BVI Limited, 325 Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickham's Cay, Road Town, Tortola, British Virgin Islands (the "Company").

**WHEREAS** the Company is at the date hereof indebted to the Assignor in the aggregate amount of the Sale Loan and the Assignor wishes to assign and the Assignee wishes to acquire, by way of assignment, the Sale Loan

**IT IS HEREBY AGREED:**

1. INTERPRETATION

In this Assignment and the recitals hereto, unless the context otherwise requires:

"Sale Loan" means all outstanding liabilities owed by the Company to the Assignor, in the amount of HK\$773,429,992;

words importing the singular include the plural and vice versa, words importing a gender or the neuter include both genders and the neuter and references to persons include bodies corporate or unincorporated; and

headings are for convenience only and shall not affect the construction of this Assignment.

2. ASSIGNMENT

The Assignor hereby assigns to the Assignee absolutely all the rights, title and interests of the Assignor in the Sale Loan free and clear of any mortgages, charges, liens or any other third party rights and the Assignee, relying on the representations, warranties and undertakings made or given by the Assignor and subject to the terms and conditions contained respectively in this Assignment, hereby accept such assignment.

3. NOTICE OF ASSIGNMENT

By their execution of this Assignment, the Assignor gives and the Company takes, notice of and acknowledges the assignment of the Sale Loan effected hereby.

4. REPRESENTATION AND WARRANTIES

The Assignor hereby warrants and undertakes to the Assignee that:

- (i) the Sale Loan is owing by the Company to the Assignor and is interest free;
- (ii) the Assignor is the beneficial owner of the Sale Loan and has all necessary title and authority to assign the benefit of the Sale Loan without the consent of any third party;
- (iii) all actions or things required to be taken, fulfilled or done in order to enable the Assignor lawfully to enter into and comply with its obligations under this Assignment and to assign the Sale Loan to the Assignee have been taken, fulfilled and done, as the case may be;
- (iv) the Sale Loan is free of any mortgage, charge, lien, encumbrance, waiver or compromise; and
- (v) immediately following the assignment of the Sale Loan hereunder, no sums or obligations will remain outstanding between the Assignor and the Company.

5. SEVERABILITY

If at any time one or more provisions in this Assignment is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions in this Assignment shall not in any way be affected or impaired thereby.

6. FURTHER ASSURANCE

Each of the parties hereto shall sign or execute any document or do any deed, act or things as may reasonably be requested by either party hereto to give full force and effect to the terms of this Assignment provided that the party which makes such request shall be responsible for the reasonable costs incurred by the other parties hereto.

7. COUNTERPARTS

This Assignment may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which when executed shall constitute an original and all of which when taken together shall constitute one and the same document.

8. ANNOUNCEMENTS

Subject to any applicable statutory or regulatory rules or otherwise as may be required by The Stock Exchange of Hong Kong Limited, the Securities and Futures Commission or any other relevant regulatory authority in Hong Kong, none of the parties hereto shall make any public announcement in relation to the transactions the terms of which are set out in this Assignment or the transactions or arrangements hereby contemplated or herein referred to or any written matter ancillary hereto or thereto without the prior consent of the other parties hereto (which consent shall not be unreasonably withheld or delayed).

9. COSTS AND EXPENSES

Each of the parties hereto shall bear its own legal and other costs and expenses incurred in connection with this Assignment.

10. ASSIGNMENT

This Assignment shall be binding on and shall enure for the benefit of the successors and assigns of the parties hereto but shall not be capable of being assigned by any party without the written consent of the other parties to this Assignment.

11. GOVERNING LAW

- (A) This Assignment is governed by and shall be construed in accordance with the laws of Hong Kong and the parties hereto hereby submit to the non-exclusive jurisdiction of the Courts of Hong Kong in connection herewith.
- (B) The submission to the jurisdiction of the courts of Hong Kong shall not (and shall not be construed so as to) limit the right of any of the parties hereto to take proceedings against any of the other parties hereto in any court of competent jurisdiction, nor shall the taking of proceedings by any of the parties hereto in any one or more jurisdictions preclude it from taking proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

IN WITNESS whereof the parties hereto have executed this Assignment the day and year first above written.

THE COMMON SEAL OF )  
 )  
**CITIC PACIFIC LIMITED** )  
was hereunto affixed in )  
in the presence of: )

SIGNED BY )  
 )  
for and on behalf of )  
**CITIC INVESTMENT (HK) LIMITED** )  
in the presence of: )

SIGNED BY )  
 )  
for and on behalf of )  
**SILVER LOG HOLDINGS LTD.** )  
in the presence of: )

**IN WITNESS** whereof the parties hereto have executed this Agreement the day and year first before written.

SIGNED by

for and on behalf of  
**ONWAY ASSETS HOLDINGS LTD.**  
in the presence of:-

)  
)  
) *Jonathan Hesse*  
)  
)

SIGNED by

for and on behalf of  
**CITIC INVESTMENT (HK) LIMITED**  
in the presence of:-

)  
)  
)  
)  
)

SIGNED by

for and on behalf of  
**CITIC PACIFIC LIMITED**  
in the presence of:-

)  
)  
) *李松林*  
)  
)

**IN WITNESS** whereof the parties hereto have executed this Agreement the day and year first before written.

SIGNED by )  
 )  
for and on behalf of )  
**ONWAY ASSETS HOLDINGS LTD.** )  
in the presence of:- )

SIGNED by )  
 )  
for and on behalf of ) 次晓丽  
**CITIC INVESTMENT (HK) LIMITED** )  
in the presence of:- )

SIGNED by )  
 )  
for and on behalf of )  
**CITIC PACIFIC LIMITED** )  
in the presence of:- )