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(Stock Code: 0017)

**UNDERWRITING AGREEMENT RELATING TO
PROPOSED RIGHTS ISSUE OF
RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF
HK\$6.20 EACH
ON THE BASIS OF
ONE RIGHTS SHARE FOR
EVERY THREE SHARES HELD ON THE RECORD DATE**

Sole global coordinator of the Rights Issue



Joint bookrunners to the Rights Issue

(in alphabetical order)



Further to the First Announcement in relation to the proposed Rights Issue of the Company, on 27 March 2014, the Company entered into the Underwriting Agreement with HSBC, Standard Chartered and the Major Shareholder which has amended, restated and superseded the Original Underwriting Agreement with effect from the date of the Underwriting Agreement. Under the Underwriting Agreement, Standard Chartered is added as one of the Underwriters under the Rights Issue, and that HSBC will act as the sole global coordinator in addition to its capacity as one of the Underwriters.

Save as summarised in this announcement, the terms and conditions of the Underwriting Agreement shall be substantially the same as those contained in the Original Underwriting Agreement.

The terms and conditions of the Rights Issue, including the Subscription Price and the basis of the Rights Issue, have not otherwise changed.

AMENDED UNDERWRITING ARRANGEMENTS

Underwriting Agreement:

Date : 27 March 2014

Underwriters : HSBC, Standard Chartered and the Major Shareholder

Number of Rights Shares underwritten : The Rights Issue will be fully underwritten by the Underwriters other than Rights Shares that the Major Shareholder has irrevocably undertaken to take up, and Rights Shares that the Major Shareholder has irrevocably undertaken to procure the Major Shareholder's Subsidiaries to take up, in each case, by way of their respective rights entitlements under the Rights Issue pursuant to the Irrevocable Undertaking. The Major Shareholder has agreed to underwrite the first 90,000,000 Underwritten Shares not taken up by the Shareholders by way of their rights entitlements, with the balance to be underwritten by HSBC and Standard Chartered in the allocation as shown below:

HSBC	Not less than 974,194,907 Shares and not more than 1,082,828,508 Shares
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Standard Chartered	162,500,000 Shares
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HSBC and Standard Chartered are severally liable to underwrite the remaining number of Underwritten Shares not underwritten by the Major Shareholder pro rata to their respective allocations above

Underwriters' Commission : 2.5% of the aggregate Subscription Price payable in respect of the Underwritten Shares determined on the Record Date

The obligations, liabilities and undertakings of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, HSBC, Standard Chartered and their respective ultimate holding companies are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The Directors consider that the terms of the Underwriting Agreement including the rate of commission are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned.

Conditions of the Rights Issue and Termination of the Underwriting Agreement

In relation to the terms described under the sections headed "Conditions of the Rights Issue" and "Termination of the Underwriting Agreement" in the First Announcement, the relevant references to HSBC are now changed to refer to both HSBC and Standard Chartered under the Underwriting Agreement so that the relevant rights exercisable by HSBC may be exercisable by HSBC and Standard Chartered under the Underwriting Agreement.

In the event HSBC and Standard Chartered exercise their right to terminate the Underwriting Agreement prior to the Latest Termination Time, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement(s) will be made by the Company if the Underwriting Agreement is terminated by HSBC and Standard Chartered.

Lock-up

In relation to the terms described under the section headed "Lock-up" in the First Announcement, the relevant lock-up undertaking given by each of the Company and the Major Shareholder to HSBC is now given under the Underwriting Agreement by each of them in favour of both HSBC and Standard Chartered (instead of just in favour of HSBC).

Irrevocable Undertaking from the Major Shareholder

In relation to the terms described under the section headed "Irrevocable undertaking from the Major Shareholder" in the First Announcement, another irrevocable undertaking containing substantially the same terms as those contained in the irrevocable undertaking dated 13 March 2014 and disclosed in the First Announcement has been executed on 27 March 2014 by the Major Shareholder in favour of the Company, HSBC and Standard Chartered (instead of just in favour of the Company and HSBC).

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Rights Issue are and will be as follows:

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue.

	As at the Record Date ¹		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Shares are taken up by the Qualifying Shareholders (save for the Major Shareholder, Major Shareholder's Subsidiaries and the other Underwriters))	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Major Shareholder	2,512,835,762	39.00	3,350,447,682	39.00	3,440,447,682	40.05
Major Shareholder's Subsidiaries	<u>250,481,942</u>	<u>3.89</u>	<u>333,975,921</u>	<u>3.89</u>	<u>333,975,921</u>	<u>3.89</u>
	2,763,317,704	42.89	3,684,423,603	42.89	3,774,423,603	43.94
Directors	2,706,587	0.04	3,608,782	0.04	2,706,587	0.03
Public	3,677,378,128	57.07	4,903,170,840	57.07	3,677,378,128	42.80
HSBC ²	—	—	—	—	974,194,907	11.34
Standard Chartered ²	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>162,500,000</u>	<u>1.89</u>
Total	<u><u>6,443,402,419</u></u>	<u><u>100.00</u></u>	<u><u>8,591,203,225</u></u>	<u><u>100.00</u></u>	<u><u>8,591,203,225</u></u>	<u><u>100.00</u></u>

Notes:

1 Assuming no change in shareholdings from the date of this announcement.

2 Pursuant to its underwriting obligations and excluding any other interests.

EXPECTED TIMETABLE OF THE RIGHTS ISSUE

The expected timetable for the Rights Issue as set out on page 24 of the First Announcement remains unchanged.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis from Wednesday, 26 March 2014. Dealings in the Rights Shares in the nil-paid form are expected to take place from Monday, 7 April 2014 to Monday, 14 April 2014 (both dates inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting HSBC and Standard Chartered the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. Please refer to the section headed “Termination of the Underwriting Agreement” in the First Announcement and the section headed “Conditions of the Rights Issue and Termination of the Underwriting Agreement” in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all conditions to which the Rights Issue is subject (as set out under the section headed “Conditions of the Rights Issue” in the First Announcement and the section headed “Conditions of the Rights Issue and Termination of the Underwriting Agreement” in this announcement) are fulfilled (and the date on which HSBC’s and Standard Chartered’s right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Monday, 7 April 2014 to Monday, 14 April 2014 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed and are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares. If in any doubt, Shareholders and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company. Any buying or selling of the securities of the Company from now up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, and any buying or selling of nil-paid Rights Shares, is at each investor’s own risk that the Rights Issue may not become unconditional and may not proceed.

DEFINITIONS USED IN THIS ANNOUNCEMENT

Capitalised terms used in this announcement shall have the same meanings as defined in the First Announcement unless otherwise defined below.

“First Announcement”	the announcement of the Company dated 13 March 2014 in relation to the Rights Issue
“Irrevocable Undertaking”	the new irrevocable undertaking dated 27 March 2014 executed by the Major Shareholder in favour of the Company, HSBC and Standard Chartered
“Original Underwriting Agreement”	the underwriting agreement dated 13 March 2014 entered into between the Company, HSBC and the Major Shareholder in relation to the Rights Issue and disclosed in the First Announcement which is amended, restated and superseded by the Underwriting Agreement with effect from the date of the Underwriting Agreement
“Standard Chartered”	Standard Chartered Securities (Hong Kong) Limited, a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (Asset Management) regulated activities as defined under the SFO
“Underwriters”	HSBC, Standard Chartered and the Major Shareholder
“Underwriting Agreement”	the amended and restated underwriting agreement dated 27 March 2014 entered into between the Company and the Underwriters in relation to the Rights Issue

By order of the Board
Wong Man-Hoi
Company Secretary

Hong Kong, 27 March 2014

As at the date of this announcement, the Board of the Company comprises (a) seven executive directors, namely Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Kong, Adrian, Mr. Chen Guanzhan, Ms. Ki Man-Fung, Leonie, Mr. Cheng Chi-Heng, Ms. Cheng Chi-Man, Sonia and Mr. Au Tak-Cheong; (b) two non-executive directors, namely Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter; and (c) five independent non-executive directors, namely Mr. Yeung Ping-Leung, Howard, Mr. Cha Mou-Sing, Payson (alternate director to Mr. Cha Mou-Sing, Payson: Mr. Cha Mou-Zing, Victor), Mr. Ho Hau-Hay, Hamilton, Mr. Lee Luen-Wai, John and Mr. Liang Cheung-Biu, Thomas.