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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Miramar Hotel and Investment Company, Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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As at the date of this circular, the approval of the listing of, and permission to deal in, the Warrants and any new Shares which may fall to be issued upon exercise of the subscription rights attached to the Warrants on the Stock Exchange has been granted. Subject to the compliance with the stock admission requirements of HKSCC, the Warrants and any new Shares which may fall to be issued upon exercise of the subscription rights attached to the Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

This circular is not an offer of securities for sale in the United States of America or elsewhere. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the US Securities Act of 1933.

MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

美麗華酒店企業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 71)

BONUS WARRANTS ISSUE

A letter from the Board is set out on pages 4 to 11 of this circular and a summary of the principal terms of the Warrants is set out on pages 12 to 21 of this circular.

20 July 2015

TABLE OF CONTENTS

	<i>Page</i>
Expected Timetable	ii
Definitions	1
Letter from the Board	4
1. Introduction	4
2. Bonus Warrants Issue	5
3. Documents Available for Inspection	11
4. General	11
Appendix – Summary of the Terms of the Warrants	12

EXPECTED TIMETABLE

Set out below is an expected timetable for the Bonus Warrants Issue. The Company will notify the Shareholders of or announce any changes to the following timetable as and when appropriate.

2015

Last day of dealings in Shares on a cum-entitlements basis
for the Bonus Warrants IssueMonday, 22 June

First day of dealings in Shares on an ex-entitlements basis
for the Bonus Warrants IssueTuesday, 23 June

Latest time for lodging transfers of Shares for registration
in order to qualify for the Bonus Warrants Issue4:30 p.m. on
Wednesday, 24 June

Closure of register of members (both dates inclusive)
fromThursday, 25 June
toTuesday, 30 June

Record Date for determining entitlements to WarrantsTuesday, 30 June

Register of members re-openedThursday, 2 July

This circular despatched onMonday, 20 July

Despatch of certificates for the Warrants onMonday, 20 July

First day of dealing in the Warrants on the Stock Exchange.9:00 a.m. on
Tuesday, 21 July

Note: All times in this circular refer to Hong Kong times

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 10 June 2015 in relation to the Bonus Warrants Issue;
“Board”	the board of Directors;
“Bonus Warrants Issue”	the bonus issue of Warrants by the Company to the Shareholders on the basis of one (1) Warrant for every five (5) Shares held on the Record Date, subject to certain restrictions on the entitlements of the Overseas Shareholders as set out in the sub-section headed “Overseas Shareholders” under the section headed “Bonus Warrants Issue” contained in the “Letter from the Board” in this circular;
“Business Day”	a day (other than a Saturday) on which banks in Hong Kong are generally open for business;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	Miramar Hotel and Investment Company, Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Excluded Shareholders”	Overseas Shareholders to whom the Directors, having made enquiries regarding the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, consider it necessary or expedient not to issue the Warrants on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, which include those Shareholders whose names appeared on the register of members of the Company on the Record Date with registered addresses in Canada or the United States of America;

DEFINITIONS

“General Mandate”	a general and unconditional mandate granted to the Directors to exercise the power of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements or options (including warrants) which would or might require the exercise of such power, granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 10 June 2015;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Instrument”	the deed poll dated 20 July 2015 executed by the Company creating and constituting the Warrants;
“Last Subscription Date”	has the meaning ascribed to it in paragraph 1(A) in the Appendix to this circular;
“Latest Practicable Date”	14 July 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Overseas Shareholders”	Shareholders whose names appeared on the register of members of the Company on the Record Date and whose addresses as shown on such register were outside Hong Kong;
“Qualified Shareholders”	the Shareholders whose names appeared on the register of members of the Company on the Record Date, other than the Excluded Shareholders;
“Record Date”	the record date for determining entitlements to the Bonus Warrants Issue, being Tuesday, 30 June 2015;
“Share(s)”	share(s) of the Company;
“Shareholder(s)”	holders of Share(s);

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Date”	has the meaning ascribed to it in paragraph 1(B) in the Appendix to this circular;
“Warrant(s)”	warrant(s) constituted by the Instrument and issued by the Company entitling the holders thereof to subscribe for an aggregate of up to 115,446,250 new Shares (subject to adjustments) at the initial subscription price of HK\$13.50 per Share (subject to adjustments) at any time during a period of thirty (30) months commencing from the date of issue of the Warrants; and
“%”	per cent.

LETTER FROM THE BOARD

MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

美麗華酒店企業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 71)

Executive Directors

Mr LEE Ka Shing (*Chairman and CEO*)

Mr Richard TANG Yat Sun

Dr Colin LAM Ko Yin

Mr LAU Yum Chuen

Mr Norman HO Hau Chong

Registered Office

15/F, Miramar Tower

132 Nathan Road

Tsim Sha Tsui

Kowloon

Hong Kong

Non-executive Directors

Dr The Honourable LEE Shau Kee

Dr Patrick FUNG Yuk Bun

Mr Dominic CHENG Ka On

Mr Alexander AU Siu Kee

Independent Non-executive Directors

Dr David SIN Wai Kin (*Vice Chairman*)

Mr WU King Cheong

Dr Timpson CHUNG Shui Ming

Mr Howard YEUNG Ping Leung

Mr Thomas LIANG Cheung Bui

20 July 2015

To Shareholders

Dear Sir or Madam,

BONUS WARRANTS ISSUE

1. INTRODUCTION

As mentioned in the Announcement of the Company dated 10 June 2015, the Directors announced the proposed Bonus Warrants Issue on the basis of one (1) Warrant for every five (5) Shares held on the Record Date. The Warrants are issued in registered form and are only issued to Qualified Shareholders.

LETTER FROM THE BOARD

The purpose of this circular is to set out further information in relation to the Bonus Warrants Issue. A summary of the principal terms and conditions of the Bonus Warrants Issue, including circumstances in which the subscription price may be adjusted, is set out in the Appendix on pages 12 to 21 of this circular.

2. BONUS WARRANTS ISSUE

Basis of Bonus Warrants Issue

The Directors have resolved the Bonus Warrants Issue on the basis of one (1) Warrant for every five (5) Shares held on the Record Date. The Warrants are issued in registered form and are only issued to Qualified Shareholders.

Condition

The Bonus Warrants Issue is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon any exercise of the subscription rights attached to the Warrants. An application for listing has been made to the Stock Exchange, and as at the date of this circular, the listing approval has been granted by the Stock Exchange.

Number of Warrants Issued

Each Warrant entitles the holder thereof to subscribe in cash for one (1) Share. Based on the 577,231,252 Shares in issue as at the Record Date and the Latest Practicable Date, the maximum number of Warrants issued is 115,446,250 units and upon the full exercise of the subscription rights attached to the Warrants, a maximum of 115,446,250 new Shares (subject to adjustments) will be issued, which represent 20% of the number of Shares in issue as at the Record Date and the Latest Practicable Date and approximately 16.67% of the number of Shares in issue as enlarged by the issue of those new Shares, and an amount of HK\$1,558,524,375 will be raised upon full exercise of the subscription rights attached to the Warrants.

The Company has no outstanding share options or convertible securities entitling any person to subscribe for Shares prior to the Record Date.

The Warrants are issued and the Shares which may fall to be issued upon any exercise of the subscription rights attached to the Warrants will be allotted and issued pursuant to the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 10 June 2015.

LETTER FROM THE BOARD

Subscription Price

Each Warrant entitles the holder thereof to subscribe in cash for one (1) Share at the initial subscription price of HK\$13.50 per Share (subject to adjustments). The initial subscription price represents:–

- (i) a premium of approximately 6.30% to the closing price per Share of HK\$12.70 as quoted on the Stock Exchange on 9 June 2015, being the last trading day of the Shares prior to the date of the Announcement;
- (ii) a premium of approximately 3.85% to the average closing price per Share of approximately HK\$13.00 as quoted on the Stock Exchange for the last five trading days up to and including 9 June 2015, being the last trading day of the Shares prior to the date of the Announcement;
- (iii) a discount of approximately 0.30% to the closing price per Share of HK\$13.54 as quoted on the Stock Exchange on the Latest Practicable Date; and
- (iv) a premium of approximately 5.72% to the average closing price per Share of approximately HK\$12.77 as quoted on the Stock Exchange for the last five trading days up to and including the Latest Practicable Date.

The subscription price of the Shares to be issued under the Bonus Warrants Issue will be adjusted on, among other things, any capitalisation issue, capital distribution, issue of rights, Shares or securities convertible into Shares at less than 90% of the then market price of the Shares and purchase of Shares at more than 110% of the then market price of the Shares. The number of Shares to be issued upon exercise of the subscription rights attached to the Warrants will also be adjusted on Share consolidation or sub-division. Further announcement will be made by the Company should there be any event or circumstances the occurrence of which would result in an adjustment to the subscription price or number of Shares to be issued under the Bonus Warrants Issue. Details of the terms of the adjustments to the subscription price or the number of Shares which may be issued upon exercise of the Warrants are set out on pages 14 to 16 of this circular.

Subscription Period

The Warrants are exercisable at any time during a period of thirty (30) months commencing from the date of issue of the Warrants.

Record Date

To qualify for the Bonus Warrants Issue and for the Warrants to be issued under the Bonus Warrants Issue, a Shareholder must on the Record Date:

- be registered as a member of the Company; and
- not be an Excluded Shareholder.

LETTER FROM THE BOARD

Please see the section “Overseas Shareholders” below for further details relating to the Excluded Shareholders.

Closure of Register of Members

The register of members of the Company was closed from Thursday, 25 June 2015 to Tuesday, 30 June 2015 (both dates inclusive) for determination of entitlements under the Bonus Warrants Issue. No transfer of Share was registered during the book close period. The last day of dealing in the Shares on the Stock Exchange cum entitlements to the Bonus Warrants Issue was Monday, 22 June 2015.

Fractional Entitlements to the Warrants and the Shares to be Issued upon Exercise of the Warrants

Fractional entitlements to the Warrants (if any) are not issued to any Shareholder but are aggregated and will be sold in the market. The net proceeds of sale will be retained for the benefit of the Company.

No holder of Warrants shall be entitled to be issued any fraction of a Share upon exercise of any of the Warrants.

Overseas Shareholders

This circular and the Warrants issued in relation to the Bonus Warrants Issue have not been registered or filed under any securities or equivalent legislation in any jurisdiction outside Hong Kong.

On the basis of the information made available to the Directors as at the Record Date, there were 11 Overseas Shareholders whose addresses as shown on the register of members of the Company on the Record Date were in Australia, Canada, the United Kingdom and the United States of America. The Directors have made enquiries on the legal and/or regulatory restrictions and/or requirements in relation to the issue of this circular and the Warrants under the Bonus Warrants Issue to the Overseas Shareholders in the above jurisdictions and on the compliance with the relevant restrictions and/or requirements.

(a) Overseas Shareholders who are Excluded Shareholders

Based on the relevant legal opinions obtained, there are legal and/or regulatory restrictions and/or requirements for issuing the Warrants to Shareholders in Canada and the United States of America under the Bonus Warrants Issue. Having regard to the relevant legal and/or regulatory restrictions and/or requirements, the number of Overseas Shareholders as at the Record Date and the likely costs and time involved if overseas compliance were to be observed, the Board considers that it would be necessary or expedient not to issue the Warrants under the Bonus Warrants Issue to the Shareholders whose registered addresses were in Canada and the United States of America (collectively the “**Excluded Jurisdictions**”) as shown on the register of members of the Company on the Record Date.

LETTER FROM THE BOARD

This circular is being sent to the Shareholders in the Excluded Jurisdictions for informational purposes only and should not be copied or distributed or otherwise made available to any other person within the Excluded Jurisdictions. Shareholders with a registered address in the Excluded Jurisdictions should note that neither the Warrants nor the Shares that may be issued upon exercise of such Warrants are being offered, sold or made available in, nor will any Warrants or Shares be delivered to any person with a registered address in the Excluded Jurisdictions. This circular does not and will not constitute an offer or solicitation of an offer or invitation to buy or to subscribe for or to take up Warrants or the Shares to be issued upon exercise thereof to any person in the Excluded Jurisdictions, and does not and will not constitute an issue of the Warrants in the Excluded Jurisdictions. No person in the Excluded Jurisdictions who receives this circular may treat it as constituting an invitation or offer to him/her/it. Accordingly, no Warrants are issued to any Shareholders with registered addresses in the Excluded Jurisdictions on the register of members of the Company on the Record Date.

In view of the above, Warrants which would otherwise have been issued to the Excluded Shareholders under the Bonus Warrants Issue will be sold in the market as soon as practicable after dealings in the Warrants on the Stock Exchange commence, if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars pro rata to such Excluded Shareholders' respective entitlements by post at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will not be distributed but will be retained for the benefit of the Company.

United States of America

Based on the relevant legal opinion obtained, your attention is drawn to the following statement in respect of the United States of America:

The Warrants may only be exercised by and for the benefit of, and Shares will only be delivered to, persons who are outside the United States of America, acquiring the Shares in transactions exempt from registration under the U.S. Securities Act pursuant to Regulation S.

(b) Overseas Shareholders who are Qualified Shareholders

Based on the relevant legal opinion obtained and having regard to the relevant legal and/or regulatory restrictions and/or requirements for issuing the Warrants to Shareholders in Australia and the United Kingdom and the applicable exemptions that can be relied on by the Company as at the Latest Practicable Date, Shareholders whose registered addresses were in Australia and the United Kingdom as shown on the register of members of the Company on the Record Date are Qualified Shareholders and Warrants are expected to be issued to them under the Bonus Warrants Issue. However, if because of changes in laws or other circumstances prior to the despatch of the certificate for the Warrants, the Board considers that the likely costs and time involved in overseas compliance to be observed would outweigh the benefits which the Company and the Shareholders as a whole would receive by issuing Warrants to any such Overseas Shareholder under the Bonus Warrants Issue, it may be necessary and expedient not to issue the Warrants to any such Overseas Shareholder under the Bonus Warrants Issue.

LETTER FROM THE BOARD

Australia

Based on the relevant legal opinion obtained, your attention is drawn to the following statements in respect of Australia:

This circular is not a prospectus under Australian law and the Shareholder in Australia who will receive this circular should seek its own professional advice in respect of the Bonus Warrants Issue.

The Company is not licensed in Australia to provide financial advice in respect of the Warrants being issued. The Company also advises that no cooling off period applies in respect of the issue of the Warrants.

All Overseas Shareholders should consult their professional advisers as to whether or not they are permitted to participate in the Bonus Warrants Issue or whether any government or other consents are required or other formalities need to be observed. No Shareholder receiving a copy of this circular in any territory outside Hong Kong may treat the same as an invitation to subscribe for Share(s) unless in the relevant territory such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Overseas Shareholder who wishes to receive Warrants and/or new Shares under the Bonus Warrants Issue to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities or any restrictions on the resale of the Warrants or the new Shares (which may fall to be issued upon the exercise of the subscription rights attached to the Warrants) which may apply outside Hong Kong.

Status of the Warrants and the Shares to be Issued upon Exercise of the Warrants

Other than the right to subscribe for new Shares, holders of Warrants will not be entitled to dividends or to participate in the distribution and/or any offers of further securities which may be made by the Company.

The Shares which may fall to be issued upon any exercise of the subscription rights attached to the Warrants will rank *pari passu* in all respects with the Shares then in issue on the relevant Subscription Date and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the relevant Subscription Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Subscription Date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant Subscription Date.

Listing, Dealings and Settlement

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon exercise of the subscription rights attached to the Warrants, and the listing approval has been

LETTER FROM THE BOARD

granted by the Stock Exchange. The certificates for the Warrants are despatched to the Qualified Shareholders by post at their own risk on Monday, 20 July 2015. In the case of joint shareholdings, the certificates for the Warrants are despatched to the address of the Shareholder first named in the register of members of the Company in respect of such joint shareholding by post.

Application has also been made to HKSCC for the admission of the Warrants into CCASS operated by HKSCC. All necessary arrangements have been made by the Company to enable the Warrants to be admitted into CCASS.

Dealings in the Warrants are expected to commence on Tuesday, 21 July 2015. The Warrants will be traded in board lots of 1,000 units and each board lot of the Warrant will entitle the holders thereof to subscribe an aggregate of up to 1,000 Shares.

Subject to the compliance with the stock admission requirements of the HKSCC, the Warrants and any Shares which may fall to be issued upon exercise of the subscription rights attached to the Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of their dealings on the Stock Exchange or such other date as shall be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Shares are listed or dealt in on any stock exchange other than the Stock Exchange, and the Warrants and the Shares which may fall to be issued upon the exercise of the subscription rights attached to the Warrants will not be listed or dealt in on any stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Investors should seek the advice of their stockbroker or other professional adviser for details of settlement arrangements for the Warrants and the Shares which may fall to be issued upon the exercise of the subscription rights attached to the Warrants and how such arrangements affect their rights and interests.

Stamp Duty

Dealings in the Warrants and the Shares which may fall to be issued upon exercise of the subscription rights attached to the Warrants will be subject to the payment of stamp duty, the Stock Exchange trading fee, transaction levy, or any other applicable fees and charges in Hong Kong.

LETTER FROM THE BOARD

The Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, dealing in or exercising, the Warrants and, as regards the Excluded Shareholders, their receipt of the net proceeds of sale of the Warrants otherwise falling to be issued to them under the Bonus Warrants Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Bonus Warrants Issue accepts responsibility for any tax implication or liabilities of Shareholders or the Warrants resulting from the purchase, holding or disposal of, or dealing in, the Shares or the Warrants or exercise of the subscription rights attached to the Warrants.

Reasons for the Bonus Warrants Issue and Use of Proceeds

The Board believes that the Bonus Warrants Issue will provide Shareholders with an opportunity to participate in the growth of the Company. The Bonus Warrants Issue will also strengthen the equity base of the Company and increase the Company's working capital if and when the subscription rights attached to the Warrants are exercised.

The Company intends to apply any subscription moneys received as and when subscription rights under the Warrants are exercised (net of expenses) towards the general working capital of the Group, including in particular in relation to appropriate property related investment opportunities or projects, and/or such other purposes as the Directors deem appropriate, taking into consideration the requirements of the Company prevailing at the relevant time. The Company did not raise any other funds by issue of equity securities during the 12 months immediately preceding the Latest Practicable Date.

3. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the Instrument and the Articles of Association of the Company will be available for inspection by the Shareholders at the registered office of the Company situated at 15/F, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong during normal business hours on any weekday, except public holidays, for a period of 14 days from the date of this circular.

4. GENERAL

Your attention is drawn to the Appendix to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
LEE KA SHING
Chairman and CEO

The Warrants are issued subject to and with the benefit of the Instrument executed by the Company and they are issued in registered form and form one class and rank pari passu in all respects with each other. Warrants are issued to Qualified Shareholders. Based on the 577,231,252 Shares in issue as at the Record Date, the maximum number of Warrants issued is 115,446,250 units and upon the full exercise of the subscription rights attached to the Warrants, a maximum of 115,446,250 new Shares (subject to adjustments in accordance with the terms and conditions of the Instrument) will be issued at an initial subscription price of HK\$13.50 per Share in cash (subject to adjustments).

The principal terms and conditions of the Warrants are set out in the certificates for the Warrants and include provisions to the effect set out below. Holders of the Warrants are entitled to the benefit of, be bound by, and be deemed to have notice of all such terms and conditions and the provisions of the Instrument, a copy of which is available for inspection by the Shareholders at the Company's registered office in Hong Kong situated at 15/F, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong during normal business hours on any weekday, except public holidays.

1. EXERCISE OF SUBSCRIPTION RIGHTS

- (A) Subject to the provisions of the terms and conditions of the Instrument and in compliance with all exchange control, fiscal and other laws and regulations applicable thereto, the registered holder(s) (the "**Warrantholder(s)**") of the Warrants represented by the certificate for the Warrants (the "**Warrant Certificate**") will have the right, which may be exercised in whole or in part (but not in respect of any fraction of a Share) at any time during a period of thirty (30) months commencing from the date of issue of the Warrants (i.e. 20 July 2015) (*Note*) and ending on 19 January 2018 (*Note*), both dates inclusive (the "**Subscription Period**"), to subscribe for fully paid Shares on the basis that each Warrant shall entitle the registered holder(s) thereof to subscribe for one (1) Share (subject to adjustments) at the subscription price of HK\$13.50 per Share (the "**Subscription Price**"), subject to adjustments (the "**Subscription Rights**"). The last date of the Subscription Period is 19 January 2018 (provided that, if such date is not a Business Day, the last date of the Subscription Period will be the Business Day immediately preceding such date) (the "**Last Subscription Date**"). After the Last Subscription Date, any Subscription Rights which have not been exercised will lapse and the Warrants and the Warrant Certificates shall cease to be valid for any purpose whatsoever.

For the purpose of the Instrument, "**Shares**" shall mean shares of the Company existing on the date of the Instrument and all other (if any) stock or shares from time to time and for the time being ranking pari passu therewith and all other (if any) Shares or stock in the equity share capital of the Company resulting from any sub-division, consolidation or re-classification of the Shares.

Note: Based on the timetable set out in this circular, the Subscription Period commences from 20 July 2015 and ends on 19 January 2018 (if such date is not a Business Day, the Subscription Period ends on the first Business Day immediately preceding such date), both dates inclusive.

- (B) In order to exercise in whole or in part the Subscription Rights represented by the Warrant Certificate, the Warrantholder(s) must deliver to the registrar of the Company who maintains the register of Warrantholders (the “**Registrar**”):
- (i) the Warrant Certificate;
 - (ii) the completed and signed subscription form (the “**Subscription Form**”) printed on the overleaf of the Warrant Certificate (which shall be irrevocable); and
 - (iii) a remittance for the Exercise Moneys (as defined below) for the Shares in respect of which the Subscription Rights are being exercised (or, in the case of a partial exercise, the relevant portion of the Exercise Moneys).

In each case compliance must also be made with any exchange control, fiscal or other laws or regulations for the time being applicable.

The date of receipt by the Registrar of the above documents is the “**Subscription Date**”. If such rights are exercised during a period when the register of holders of Shares is closed, the Subscription Date will be the next following Business Day on which such register is open.

“**Exercise Moneys**” shall mean in relation to any Warrant or Warrants, the amount in cash which the Warrantholder of such Warrant or Warrants is entitled to subscribe upon the exercise of the Subscription Rights represented thereby.

- (C) No fraction of a Share will be allotted but any balance representing fractions of the Exercise Moneys paid on the exercise of the Subscription Rights will be refunded to the relevant Warrantholder, provided always that, if the Subscription Rights attached to the Warrants represented by two or more Warrant Certificates are exercised by the same Warrantholder on the same Subscription Date, then for the purpose of determining whether any (and if so, what) fraction of a Share arises, such Subscription Rights represented by such Warrant Certificates shall be aggregated.
- (D) The Company has undertaken in the Instrument that Shares falling to be issued upon the exercise of the Subscription Rights represented by the Warrant Certificate will be issued and allotted not later than 28 days (or such shorter period as may from time to time be required by the Listing Rules or the applicable laws and regulations) after the relevant Subscription Date and (unless adjustment thereof has been made as provided in the Instrument) will rank *pari passu* with the fully paid Shares in issue on the relevant Subscription Date and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the relevant Subscription Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Subscription Date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant Subscription Date.

- (E) As soon as practicable after the relevant allotment of Shares (and not later than 28 days (or such shorter period as may from time to time be required by the Listing Rules or the applicable laws and regulations) after the relevant Subscription Date) there will be issued free of charge to the Warrantholder(s):
- (i) a certificate (or certificates) for the relevant Shares in the name(s) of such Warrantholder(s);
 - (ii) (if applicable) a balancing Warrant Certificate in registered form in the name(s) of such Warrantholder(s) in respect of any Subscription Rights represented by the Warrant Certificate and remaining unexercised; and
 - (iii) (if applicable) a cheque representing fractions of the Exercise Moneys in respect of the Warrantholder's fractional entitlement to Shares not allotted as mentioned in sub-paragraph (C) above.

The certificate(s) for Shares arising on the exercise of Subscription Rights, the balancing Warrant Certificate (if any) and the cheque in respect of the fractions of the Exercise Moneys in respect of the Warrantholder's fractional entitlement to the Shares (if any) will be sent by post at the risk of such Warrantholder to the address of such Warrantholder or (in the case of a joint holding) to that one of the joint Warrantholders whose name stands first in the register of the Warrantholders. If the Company agrees, such certificates and cheques may by prior arrangement be retained by the Registrar to await collection by the relevant Warrantholder(s).

2. ADJUSTMENTS OF SUBSCRIPTION RIGHTS AND/OR SUBSCRIPTION PRICE

The Instrument contains detailed provisions relating to the adjustments of the Subscription Rights and/or the Subscription Price. The following is a summary of, and is subject to, the provisions of the Instrument:

- (A) The Subscription Rights shall be adjusted if and whenever there is an alteration of the number of the Shares by reason of any consolidation or subdivision and the Subscription Price at which the Warrantholder is entitled to subscribe for each Share shall be proportionately adjusted;
- (B) The Subscription Price shall (except as mentioned in sub-paragraphs (C) and (D) below) be adjusted as provided in the Instrument in each of the following cases:
 - (i) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves;
 - (ii) Capital Distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of its Shares in their capacity as such;

- (iii) a grant by the Company to the holders of Shares (in their capacity as such) of rights to acquire for cash any assets of the Company or any of its subsidiaries;
 - (iv) an offer or grant being made by the Company to holders of its Shares of new Shares by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 90 per cent. of the market price (calculated as provided in the Instrument);
 - (v) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration (as defined in the Instrument) per Share is less than 90 per cent. of the market price (calculated as provided in the Instrument), or the terms of any such issue being altered so that the said total Effective Consideration is less than 90 per cent. of the market price;
 - (vi) an issue being made wholly for cash of Shares (other than pursuant to a share option scheme) at a price less than 90 per cent. of the market price (calculated as provided in the Instrument);
 - (vii) the purchase or buy-back of Shares by the Company in circumstances where the total Effective Consideration per Share (as defined in the Instrument) is more than 110 per cent. of the closing price of one Share on the Stock Exchange (calculated as provided in the Instrument); and
 - (viii) the purchase or buy-back of Shares, securities convertible into Shares or any rights to acquire Shares where the Company considers that it may be appropriate to make an adjustment to the Subscription Price.
- (C) Except as mentioned in sub-paragraph (D) below, no such adjustment as is referred to in sub-paragraph (B) above shall be made in respect of:
- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including the Subscription Rights) to acquire Shares;
 - (ii) an issue of Shares or other securities of the Company or any subsidiary of the Company or a grant of rights to acquire Shares to directors or employees of the Company or any subsidiary of the Company or any other eligible participants pursuant to a share option scheme;
 - (iii) an issue by the Company of Shares or by the Company or any subsidiary of the Company of securities convertible into or a grant of rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; or

- (iv) an issue of Shares in lieu of a cash dividend where the market value (calculated as provided in the Instrument) of such Shares is not more than 110 per cent. of the amount of dividend which holders of Shares could elect to or would otherwise receive in cash.
- (D) Notwithstanding the provisions referred to in sub-paragraphs (A), (B) and (C) above but subject to sub-paragraph (E) below, in any circumstance where the Company shall consider that an adjustment to the Subscription Price and/or the Subscription Rights provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price and/or the Subscription Rights should be made notwithstanding that no such adjustment is required under the said provisions, the Company may appoint an approved merchant bank or the auditors of the Company to consider whether for any reason whatsoever the adjustment to be made (or the absence of adjustment) would not or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or the auditors of the Company shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including, without limitation, making an adjustment calculated on a different basis) as shall be certified by such approved merchant bank or the auditors of the Company to be in its opinion appropriate.
- (E) Notwithstanding any other provisions in the Instrument, no adjustment shall in any case be made to the Subscription Rights so as to increase the number of Shares that the Warrantheolders shall be entitled to acquire pursuant to the exercise thereof except on a sub-division of Shares as referred to in sub-paragraph (A) above.
- (F) Any adjustment to the Subscription Price shall be made to the nearest one cent so that any amount under half a cent shall be rounded down and any amount of half a cent or more shall be rounded up. No adjustment shall be made to the Subscription Price in any case in which the amount by which the same would be reduced would be less than one cent and any adjustment which would otherwise then be required to be made shall not be carried forward. No adjustment may be made (except on a consolidation of Shares) which would increase the Subscription Price.
- (G) Every adjustment to the Subscription Price and/or the Subscription Rights (and the number of Shares that a holder of Warrant is entitled to subscribe for upon the exercise thereof) will be certified to be fair and appropriate by the auditors of the Company or an approved merchant bank and notice of each adjustment (giving the relevant particulars) will be given to the Warrantheolders. In giving any certificate or making any adjustment hereunder, the auditors of the Company or the approved merchant bank shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on the Company and the Warrantheolders and all persons claiming through or under them respectively. Any such certificates of the auditors of the Company or approved merchant bank will be available at the registered office in Hong Kong for the time being of the Company, where copies may be obtained.

3. REGISTERED WARRANTS

The Warrants are issued in registered form. The Company shall be entitled to treat the registered holder of any Warrant as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or required by law, be bound to recognise any equitable or other claim to or interest in such Warrant on the part of any other person, whether or not it shall have express or other notice thereof.

4. TRANSFER, TRANSMISSION AND REGISTER

(A) The Subscription Rights represented by the Warrant Certificate are transferable, in multiples of one whole Share, by instrument of transfer in any usual or common form or in any other form which may be approved by the Directors. The Company shall maintain a register of Warranholders accordingly. Transfers of Warrants must be executed by both the transferor and the transferee. Where the transferor or the transferee is HKSCC Nominees Limited or its successor thereto (or such other company as may be approved by the Board for this purpose), the transfer may be executed under the hands of authorised person(s) or by machine imprinted signatures on its behalf or of such person(s), as the case may be. The provisions of the Company's Articles of Association relating to the registration, transmission and transfer of Shares shall apply, mutatis mutandis, to the registration, transmission and transfer of the Warrants and shall have full effect as if the same had been incorporated herein.

(B) Since the Warrants will be admitted to CCASS, so far as applicable laws or regulations of relevant regulatory authorities, terms of the Instrument and circumstances permit, the Company may determine the last trading day of the Warrants to be a date at least 3 trading days before the Last Subscription Date (*Note*). Persons who own Warrants and have not registered the Warrants in their own names and wish to exercise the Subscription Rights should note that they may incur additional costs and expenses in connection with any expedited re-registration of the Warrants prior to the transfer or exercise of the Subscription Rights, in particular during the period commencing 10 Business Days, or any period from time to time fixed by the Listing Rules or other rules or regulations of other relevant regulatory authorities for standard securities registration service, prior to and including the Last Subscription Date (*Note*).

Note: Based on the timetable set out in this circular, the Subscription Period commences from 20 July 2015 and ends on 19 January 2018 (if such date is not a Business Day, the Subscription Period ends on the first Business Day immediately preceding such date), both dates inclusive.

(C) The register of Warranholders may be closed from time to time, subject to the same restrictions, mutatis mutandis, as applied to the closure of the register of members of the Company in accordance with the Companies Ordinance. Any exercise of Subscription Rights during the period for which the register of Warranholders is closed shall be deemed to be and shall be effective upon the first day upon which the register of Warranholders reopens and such date shall be deemed to be the relevant Subscription Date for all purposes in respect of such exercise of Subscription Rights.

5. PURCHASE AND CANCELLATION

The Company or any of its subsidiaries may at any time purchase Warrants:

- (i) in the open market or by tender (available to all Warrantholders alike) at any price; or
- (ii) by private treaty at a price, exclusive of expenses, not exceeding 110 per cent. of the closing price on the Stock Exchange per Warrant on the last trading date immediately prior to the date of purchase of the Warrants,

but not otherwise. All Warrants purchased as aforesaid shall be cancelled forthwith and may not be reissued or resold.

6. MEETINGS OF WARRANTHOLDERS AND MODIFICATION OF RIGHTS

- (A) The Instrument contains provisions for convening meetings of Warrantholders to consider any matter affecting the interests of Warrantholders, including the modification by special resolution of the provisions of the Instrument and/or these conditions. A special resolution duly passed at any such meeting shall be binding on the Warrantholders, whether present or not.
- (B) All or any of the rights for the time being attached to the Warrants (including any of the provisions of the Instrument) may from time to time (whether or not the Company is being wound up) be altered or abrogated (including but without prejudice to that generality by waiving compliance with, or by waiving or authorising any past or proposed breach of, any of the provisions of these conditions and/or the Instrument) and the sanction of a special resolution shall be necessary and sufficient to effect such alteration or abrogation.
- (C) Where the Warrantholder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) or proxy (or proxies) at any Warrantholders' meeting provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number of Warrants in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if such person were an individual Warrantholder.
- (D) On a poll, votes may be given either personally or by proxy or by authorised representative. On a show of hands, votes may be given either personally (in the case of a Warrantholder being an individual) or by authorised representative (in the case of a Warrantholder being a corporation).

7. REPLACEMENT OF WARRANT CERTIFICATES

In the case of lost Warrant Certificates, Sections 162 to 169 of the Companies Ordinance shall apply as if “shares” referred to therein include the Warrants.

If a Warrant Certificate is mutilated, defaced, lost or destroyed, it may, at the discretion of the Company, be replaced at the office of the Registrar on payment of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may require and on payment of such fee not exceeding HK\$2.50 (or such higher fee as may from time to time be permitted by the Stock Exchange) as the Company may determine. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

8. PROTECTION OF SUBSCRIPTION RIGHTS

The Instrument contains certain undertakings by and restrictions on the Company designed to protect the Subscription Rights.

9. CALL

If at any time the aggregate number of Shares which would fall to be issued on the exercise of outstanding Warrants is equal to or less than 10 per cent. of the aggregate number of Shares which would fall to be issued on the exercise of all the Warrants issued under the Instrument then the Company may, on giving not less than 1 month’s notice, require Warrantheolders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised Warrants will be automatically cancelled without compensation to such Warrantheolders and will cease to be valid for any purpose.

10. FURTHER ISSUES

The Company shall be at liberty to issue further warrants to subscribe for Shares in such manner and on such terms as it sees fit.

11. UNDERTAKINGS BY THE COMPANY

In addition to the undertakings given by it in relation to the grant and exercise of the Subscription Rights and the protection thereof the Company has undertaken in the Instrument that:

- (i) it will use its best endeavours to ensure that all Shares allotted on the exercise of Subscription Rights shall be admitted to listing on the Stock Exchange;
- (ii) it will send to each Warrantheolder, at the same time as the same are sent to the holders of Shares, its audited accounts and all other notices, reports and communications despatched by it to the holders of the Shares generally; and

- (iii) it will pay all Hong Kong stamp duties, registration fees or similar charges in respect of the execution of the Instrument, the creation and initial issue of the Warrants in registered form, the exercise of the Subscription Rights and the issue of Shares upon exercise of the Subscription Rights. If any Warrantholder shall take any action or proceedings in any jurisdiction to enforce the obligations of the Company in respect of the Warrants or the Instrument, and for the purposes of such action or proceedings the Instrument or any Warrant is taken into such jurisdiction and any stamp duties or similar duties or taxes become payable thereon or in respect thereof in connection with or as a result of such action or proceedings, the Company shall not be under any obligation to pay (or reimburse any person making payment of) any such duties or taxes (including, if applicable, penalties).

12. NOTICES

The Instrument contains provisions relating to notices to be given to Warrantholders.

Every Warrantholder shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent.

The provisions of the Company's Articles of Association relating to service of notices on members of the Company shall apply, *mutatis mutandis*, to service of notices on Warrantholders and shall have full effect as if the same had been incorporated herein.

13. OVERSEAS WARRANTHOLDERS

If a Warrantholder has a registered address in any territory other than Hong Kong where, in the opinion of the Directors (after making enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange), the allotment of Shares to such Warrantholder upon the exercise of any Subscription Rights would or may in the absence of compliance with registration or any other special formalities in such territory be unlawful or impracticable under the laws of such territory or Hong Kong, then the Company will as soon as practicable after the exercise by such Warrantholder of any Subscription Rights allot such Shares to such Warrantholder and then, on his behalf, sell them to one or more third parties selected by the Company for the best consideration then reasonably obtainable by the Company. As soon as reasonably practicable following such allotment and sale, the Company will pay such Warrantholder an amount equal to the consideration received (less expenses and duties) by it by posting the remittance to him at his risk.

14. WINDING UP OF THE COMPANY

- (A) In the event a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to wind-up the Company voluntarily, every Warrantholder shall be entitled by irrevocable surrender of his Warrant Certificate(s) to the Company with the Subscription Form(s) duly completed, together with payment of the Exercise Moneys or the relative portion thereof (such Subscription Form(s) and Exercise Moneys to be received by the Company not less than 5 Business Days prior to the proposed shareholders' meeting) to be allotted and issued, as soon as possible and in any event no later than the day immediately prior to the date of the proposed shareholder's meeting, the Shares which fall to be issued pursuant to the exercise of the relevant Subscription Rights.
- (B) If an effective resolution is passed during the Subscription Period for the voluntary winding-up of the Company for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some persons designated by them for such purpose by special resolution, shall be a party or in conjunction with which a proposal is made to the Warrantholders and is approved by special resolution, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on all the Warrantholders.
- (C) Subject to the foregoing, if the Company is wound up, all Subscription Rights which have not been exercised at the date of the passing of such resolution shall lapse and each Warrant Certificate shall cease to be valid for any purpose.

15. GOVERNING LAW

The Instrument and the Warrants are governed by and shall be construed in accordance with the laws of Hong Kong.