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## **JOINT ANNOUNCEMENT**

### **BILLION EXPRESS INVESTMENTS LIMITED**

**(the “Issuer”)**

*(incorporated in the British Virgin Islands with limited liability)*

**US\$1,838,800,000**

**0.75 PER CENT GUARANTEED CONVERTIBLE BONDS DUE 2015**

**(The “Convertible Bonds”)**

**(Stock Code: 4326)**

**EXCHANGEABLE INTO ORDINARY SHARES OF**

**CHINA UNICOM (HONG KONG) LIMITED**

**UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY**



**CHINA UNICOM (HONG KONG) LIMITED**

**中國聯合網絡通信（香港）股份有限公司**

**(the “Guarantor”)**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 0762)**

**ADJUSTMENT TO CONVERTIBLE BOND CONVERSION PRICE**

Reference is made to the 2012 annual results announcement of the Guarantor dated 21 March 2013 (the **2012 Annual Results Announcement**) whereby a final dividend of RMB0.12 per Share for the year ended 31 December 2012 (the **2012 Final Dividend**) was proposed, subject to approval of Shareholders at the forthcoming annual general meeting of the Guarantor to be held on 21 May 2013 (the **AGM**). The record date for determining the Shareholders' entitlement to the 2012 Final Dividend will be 29 May 2013.

When the Guarantor shall pay or make the 2012 Final Dividend, the Conversion Price of the Convertible Bonds will, in accordance with the CB Terms and Conditions (as defined below), subject to approval of the payment of the 2012 Final Dividend by the Shareholders at the AGM, be adjusted from HK\$15.58 per Share to HK\$15.36 per Share with effect from 30 May 2013.

As stipulated under the Trust Deed, the Issuer and/or the Guarantor are required to provide certain information relating to the adjustment to the Conversion Price of the Convertible Bonds.

Reference is made to (i) the announcement of the Guarantor dated 28 September 2010 in relation to the issue of the Convertible Bonds, (ii) the announcement of the Guarantor dated 22 March 2012 and 7 June 2012 in relation to adjustment to Conversion Price, and (iii) the 2012 Annual Results Announcement. Capitalized terms used herein shall, unless otherwise defined, have the same meanings as adopted in the Guarantor's announcement dated 28 September 2010.

As stipulated under Condition 6(C)(3) of the terms and conditions of the Convertible Bonds (the **CB Terms and Conditions**), if the Guarantor shall pay or make to the Shareholders any Capital Distribution (as defined in the CB Terms and Conditions), the Conversion Price of the Convertible Bonds shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the Current Market Price (as defined in the CB Terms and Conditions) of one Share on the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value (as defined in the CB Terms and Conditions) on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Any such adjustment becomes effective on the date when such Capital Distribution is actually made or if a record date is fixed therefor, immediately after such record date. However, no adjustment is required to be made under the CB Terms and Conditions where such adjustment would be less than 1% of the Conversion Price then in effect but instead the amount of such adjustment shall be carried forward and taken into account in any subsequent adjustment.

As announced in the 2012 Annual Results Announcement, the board of directors of the Guarantor recommended the payment of the 2012 Final Dividend of RMB0.12 per Share, subject to Shareholders' approval of the 2012 Final Dividend at the AGM. The record date for determining the Shareholders' entitlement to the 2012 Final Dividend will be 29 May 2013. The Guarantor's register of members will be closed during the following periods:

- (1) from 16 May 2013 to 21 May 2013, both days inclusive, for the purpose of ascertaining the Shareholders' rights to attend and vote at the AGM; and
- (2) from 27 May 2013 to 29 May 2013, both days inclusive, for the purpose of ascertaining the Shareholders' entitlement to the 2012 Final Dividend.

Subject to approval of the payment of the 2012 Final Dividend by the Shareholders at the AGM, the Conversion Price of the Convertible Bonds will, in accordance with the CB Terms and Conditions, be adjusted from HK\$15.58 per Share (the *Conversion Price Before Adjustment*) to HK\$15.36 per Share (the *Adjusted Conversion Price*) with effect from 30 May 2013. Save for the abovementioned adjustment to the Conversion Price, the other terms of the Convertible Bonds shall remain unchanged.

As at the date of this announcement, the total outstanding principal amount of the Convertible Bonds is US\$1,838,800,000. Following the above adjustment to the Conversion Price, the maximum number of Shares issuable by the Guarantor upon full conversion of the outstanding Convertible Bonds at the Adjusted Conversion Price will be 928,689,770 Shares, an increase of 13,113,719 Shares from the original 915,576,051 Shares based on the Conversion Price Before Adjustment.

Any Bondholder who is in doubt as to the action to be taken should consult his/her stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

By Order of the Board	By Order of the Board
<b>CHINA UNICOM (HONG KONG) LIMITED</b>	<b>BILLION EXPRESS INVESTMENTS LIMITED</b>
<b>CHU KA YEE</b>	<b>CHU KA YEE</b>
<i>Company Secretary</i>	<i>Company Secretary</i>

Hong Kong, 21 March 2013

As at the date of this notice, the board of directors of Billion Express Investments Limited comprises Li Fushen and Zuo Feng.

As at the date of this announcement, the Board of Directors of the Company comprises:

Executive directors	: Chang Xiaobing, Lu Yimin, Tong Jilu and Li Fushen
Non-executive director	: Cesareo Alierta Izuel
Independent non-executive directors	: Cheung Wing Lam Linus, Wong Wai Ming, John Lawson Thornton, Chung Shui Ming Timpson, Cai Hongbin and Law Fan Chiu Fun Fanny