

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**POSSIBLE VERY SUBSTANTIAL ACQUISITION
AND CONNECTED TRANSACTION**

**POSSIBLE ACQUISITION OF AN INTEREST IN A COMPANY
INVOLVED IN INFORMATION TECHNOLOGY BUSINESS
IN CONNECTION WITH A BROADBAND NATIONAL RAILWAY
FIBRE OPTIC NETWORK IN THE PRC**

FULFILMENT OF CONDITIONS

Summary

The Board is pleased to announce that both the Company and Founder Group agreed on 15th February, 2001 that the Conditions had been fulfilled to their reasonable satisfaction. The Option can be exercised (in full or in tranches) within 24 months after the date of fulfilment of the Conditions, i.e. from 16th February, 2001, in accordance with the terms of the Option Agreement.

On 15th August, 2000, the Company issued an announcement (the "Announcement") on the grant of the Option in relation to the possible acquisition by the Company of up to 30 per cent. attributable interest in CDE for a consideration of up to HK\$2,475,000,000 by the exercise of either the Call Option by the Company or the Put Option by Founder Group pursuant to the Option Agreement (the "Transaction"). The Transaction constitutes a possible very substantial acquisition and connected transaction of the Company under the Listing Rules.

On 15th November, 2000, the Board announced that the parties to the Option Agreement had agreed to extend the long-stop date for fulfilling the conditions to the first exercise of the Option (the "Conditions") to 15th February, 2001.

The Board is pleased to announce that both the Company and Founder Group agreed on 15th February, 2001 that the Conditions had been fulfilled to their reasonable satisfaction. The Option can be exercised (in full or in tranches) within 24 months after the date of fulfilment of the Conditions, i.e. from 16th February, 2001, in accordance with the terms of the Option Agreement. Further announcement will be made by the Company upon the first exercise of the Option.

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those used in the Announcement.

By Order of the Board
Eliza Lam Sau Fun
Secretary

Hong Kong, 16th February, 2001