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中国电信
CHINA TELECOM

CHINA TELECOM (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

ANNOUNCEMENT

The Company commenced preliminary discussions in relation to the acquisition of the mobile phone operations of mobile telecommunications companies in seven provinces, autonomous region and directly administered municipalities in the PRC.

The board of directors (the “Board”) of China Telecom (Hong Kong) Limited (the “Company”) announces that the Company commenced preliminary discussions with China Mobile Communications Corporation (“China Mobile”) today in relation to the acquisition by the Company of the mobile phone operations of mobile telecommunications companies in the seven provinces, autonomous region and directly administered municipalities in the PRC of Beijing, Tianjin, Shanghai, Liaoning, Hebei, Shandong and Guangxi. Prior to today, the Company had not conducted any negotiations with China Mobile in connection with such possible acquisition. No contractual terms including the price have been agreed. Furthermore, no indication can be given by the Company of the timing of any such agreement and the acquisition may or may not proceed. Any transaction leading from the discussions is likely to constitute a notifiable transaction of the Company under the Listing Rules and would be subject to conditions including receipt of all necessary approvals from relevant regulatory authorities and approval of independent shareholders of the Company. Such acquisition, if implemented, may require fund raising by the Company, which may take the form of debt financing, equity financing or other means of financing.

The Board also confirms that, save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement.

In the meantime, shareholders are strongly advised to exercise caution in dealing in the shares of the Company.

By order of the Board
CHINA TELECOM (HONG KONG) LIMITED
Li Ping
Yung Jacky Shun Loy
(Joint Company Secretaries)

Hong Kong, 23 June 2000