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中国移动通信
CHINA MOBILE

CHINA MOBILE (HONG KONG) LIMITED

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

ANNOUNCEMENT

A wholly-owned subsidiary of the Company, China Mobile (Shenzhen) Limited, has entered into two loan agreements on 7 October 2000 with a bank syndicate comprising eight PRC domestic and international banks with China Construction Bank and the Bank of China as joint lead banks. The total amount of the loans is RMB12.5 billion.

The board of directors (the “**Board**”) of China Mobile (Hong Kong) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that following the Company’s announcement on 4 October 2000, a wholly-owned subsidiary of the Company, China Mobile (Shenzhen) Limited (“**Shenzhen Company**”), has entered into two loan agreements on 7 October 2000 with a bank syndicate comprising eight PRC domestic and international banks, with China Construction Bank and Bank of China as joint lead banks. The total amount of the loans is RMB12.5 billion.

One of the two loan agreements is a half-year loan agreement for RMB5 billion, the interest rate of which is 10% below the six-month base lending rate for financial institutions on the effective date of the agreement as announced by the People’s Bank of China (“**PBOC**”). The other loan agreement is a three-year loan agreement for RMB7.5 billion. The interest rate for the first year of this loan agreement is 10% below the three-year base lending rate for financial institutions on the effective date of the agreement as announced by the PBOC. Such interest rate will be adjusted yearly on the same basis. Based on the prevailing base lending rates announced by the PBOC, the interest rate for the RMB5 billion loan will be approximately 5.02% whereas the interest rate for the RMB7.5 billion loan will be approximately 5.35%. Shenzhen Company will drawdown the two loans after the completion of the acquisition by the Company of the mobile communication businesses (“**Acquisition**”) in the seven provinces (municipalities and autonomous region). The duration of and the interests on the two loans will be calculated from the date of the drawdown. All the six wholly-owned operating subsidiaries of the Company (namely, Guangdong Mobile Communication Company Limited, Zhejiang Mobile Communication Company Limited, Jiangsu Mobile Communication Company Limited, Fujian Mobile Communication Company Limited, Henan Mobile Communication Company Limited and Hainan Mobile Communication Company Limited) provide guarantee to the two loans.

In deciding to use RMB loans as a means of financing for the Acquisition, the Company has taken into consideration the fact that RMB financing may reduce the overall cost of capital, appropriately increase the leverage ratio and further optimise the capital structure of the Company. At the same time, it may effectively eliminate foreign exchange risk and expand the Company’s financing channels in mainland China.

By order of the Board
CHINA MOBILE (HONG KONG) LIMITED
Wang Xiaochu
(Chairman)

Hong Kong, 9 October 2000