

China Telecom (Hong Kong) Limited Prepares for the Full Commercial Launch of WAP Services And Advanced GPRS Testing

China Telecom (Hong Kong) Limited announced that its trials of first-stage Wireless Application Protocol ("WAP") services in selected cities has achieved positive results and that, beginning on May 17, the Company will expand its WAP coverage and will actively prepare for the full commercial launch of WAP services throughout its six provinces of operation, which include Guangdong, Zhejiang, Jiangsu, Fujian, Henan and Hainan. The Company is also conducting advanced GPRS technology tests on its digital mobile communications network. The Wireless Data Development Division within its soon to be established wholly-owned subsidiary, China Telecom (Shenzhen) Limited, will focus exclusively on enhanced research and development in relation to these services.

WAP services currently offered by China Telecom (Hong Kong) Limited provide wireless Internet access enabling subscribers to send and receive data over WAP enabled handsets or handheld computing devices and access such Internet-based content as weather forecasts, financial updates, news broadcasts, business information, health, entertainment, traffic and travel tips, e-commerce and on-line games. By dialing the "172" access number, WAP subscribers can instantly access these Internet services from any location in the People's Republic of China. Guangdong Mobile, Zhejiang Mobile and Fujian Mobile have separately taken the lead by establishing wireless Internet portals. China Telecom (Hong Kong) Limited has been closely following the development of WAP technology, and has rapidly deployed WAP systems. In accordance with specifications prescribed by China Mobile Communications Corporation, the Company successfully completed WAP system tests in Guangdong, Zhejiang and Fujian provinces. The result of the first-stage trials clearly shows the favorable response by subscribers to these new services, objectively demonstrating substantial market demand (for example, more than 50,000 subscribers have already signed up for WAP services in Guangdong Province alone). China Telecom (Hong Kong) Limited will continue to work with content providers; equipment providers and other industry participants to hasten the development and implementation of WAP-based services.

Concurrently, China Telecom (Hong Kong) Limited is testing General Packet Radio Service ("GPRS") technology. GPRS will enable operators to provide end-to-end packet-switched data transmission on the existing GSM network, which improves wireless network utilization and enhances wireless access rates for a variety of data applications, including WAP. In addition to systems functioning and performance tests, the Company has also completed tests running Virtual Private Network ("VPN") and WAP applications over a GPRS platform. To date, the tests have gone smoothly, and along with other mobile telecom services providers, the company is also testing GPRS international roaming.

The Chairman and President of China Telecom (Hong Kong) Limited, Mr. Wang Xiao Chu, has noted, "The wireless data market will nurture limitless commercial opportunities. The company will hasten the commercialization of wireless data applications, and strive to obtain better returns for our investors and to become a world class, global wireless multi-media service provider".