

Other Information

MANAGEMENT DISCUSSION AND ANALYSIS

According to paragraph 40 of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, save as disclosed herein, the Company confirms that the current company information in relation to those matters set out in paragraph 32 of Appendix 16 has not changed materially from the information disclosed in the Company's 2000 annual report.

TRANSFER TO AND FROM RESERVES

There were no transfers to or from the general reserve of the Company during the six months ended 30 June, 2001.

INTERIM DIVIDEND

It is suggested by the Board of Directors of the Company that no interim dividend for the six months ended 30 June, 2001 be paid.

DIRECTOR'S INTERESTS IN SHARES

As at 30 June, 2001, the interests of the directors and the chief executive of the Company in the equity securities of the Company or any of its associated corporations as defined in the Securities (Disclosure of Interests) Ordinance (the "Ordinance") as recorded in the register required to be kept under section 29 of the Ordinance were as follows:

<u>Name of Directors</u>	<u>Personal interest</u>
Shi Cuiming	30,000 Ordinary Shares
Li Zhengmao	20,000 Ordinary Shares
Tan Xinghui	20,000 Ordinary Shares
C. James Judson (an alternate director to Craig O. McCaw)	1,000 American depository receipts

Note: As at 30 June, 2001, one American depository receipts represents 10 ordinary shares of HK\$0.1 each of the Company.

In addition, certain directors personally hold options to purchase ordinary shares of the Company as disclosed under the paragraph "Directors' Rights To Acquire Shares" below. These share options are granted pursuant to the terms of the Pre-Global Offering Share Option Scheme adopted by the Company.

Apart from the foregoing, as at 30 June, 2001, none of the directors had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations as defined in the Ordinance.

DIRECTORS' RIGHT TO ACQUIRE SHARES

As at 30 June, 2001, the interests of the Directors and the chief executive of the Company in the equity securities of the Company or any of its associated corporations as defined in the Securities (Disclosure of Interests) Ordinance (the "Ordinance") as recorded in the register required to be kept under section 29 of the Ordinance consist of share options granted pursuant to the Pre-Global Offering Share Option Scheme to the Directors and chief executive to subscribe for shares of the Company. Further details of the above are set out as follows:

Name of directors	No. of options Granted¹	No. of options exercised during the year	No. of options outstanding at year end
Yang Xian Zu	525,000	—	525,000
Wang Jianzhou	396,200	—	396,200
Shi Cuiming	396,200	—	396,200
Li Zhengmao	292,600	—	292,600
Ge Lei	292,600	—	292,600
Tan Xinghui	204,400	—	204,400

¹ Each option gives the holder the right to subscribe for one share.

Apart from the foregoing, at no time during six months ended 30 June, 2001 was the Company, or any of its holding companies or subsidiaries, a party to any arrangement to enable the Directors or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

The Company has been notified of the following interests in the Company's issued shares at 30 June, 2001 amounting to 10% or more of the ordinary shares in issue:

	Ordinary shares held		Percentage of total issued shares
	Held directly	Held indirectly	
(i) China United Telecommunications Corporation ("Unicom Group")	—	9,725,000,020	77.47%
(ii) China Unicom (Hong Kong) Group Limited ("China Unicom (HK)")	—	9,725,000,020	77.47%
(iii) China Unicom (BVI) Limited ("China Unicom (BVI)")	9,725,000,020	—	77.47%

Note: Because of the fact that Unicom Group and China Unicom (HK) directly or indirectly control one-third or more of the voting rights in the shareholders' meetings of China Unicom (BVI), in accordance with the Securities (Disclosure of Interest) Ordinance, the interests of China Unicom (BVI) are deemed to be, and have therefore been included in, the interests of Unicom Group and China Unicom (HK).

Apart from the foregoing, no person or corporation had any interest in the share capital of the Company as recorded in the register required to be kept under section 16(1) of the Securities (Disclosure of Interests) Ordinance as having an interest in 10% or more of the issued share capital of the Company.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not during the period in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except that non-executive directors were not appointed for a specific term but are subject to retirement by notation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association.

AUDIT COMMITTEE

The audit committee has reviewed with the management and the external auditors, Andersen & Co. the accounting principles and practice adopted by the Group and discussed internal control and financial reporting matters including the review of this interim report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

By Order of The Board
Ngai Wai Fung
Company Secretary

Hong Kong, 12 September, 2001