



This announcement is made under Rule 3.2 of the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”). The Company announces that it has been notified by The Hongkong and Shanghai Banking Corporation Limited (“HSBC”), in HSBC’s capacity as financial adviser to Pacific Century Regional Developments Limited (“PCRD”) and Starvest Limited (“Starvest”), that Starvest is considering the feasibility of a proposal for the privatisation of the Company by way of a scheme of arrangement under Section 166 of the Companies Ordinance. Starvest is a wholly owned subsidiary of PCRD. PCRD is a company which currently holds approximately 22.54% of the issued share capital of the Company and which has its shares listed on Singapore Exchange Securities Trading Limited.

The Company understands that discussions are taking place in relation to a proposal for consideration by the Company and its shareholders. The Company has been informed that those discussions relate to a possible privatisation proposal to be made jointly by Starvest and China Netcom Corporation (BVI) Limited (“Netcom BVI”). Netcom BVI currently holds approximately 19.84% of the issued share capital of the Company and is a wholly owned subsidiary of China Network Communications Group Corporation (“CNC”). CNC is a leading telecommunications company in the PRC.

### **Dealings disclosure**

The Company has only one class of securities, namely ordinary shares of HK\$0.25 each, of which 6,772,294,654 such shares are in issue. In addition, there are outstanding employee share options in respect of a further 138,533,730 ordinary shares of HK\$0.25 each.

All associates of the Company are reminded to disclose their dealings in the shares of the Company under Rule 22 of the Takeovers Code.

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings



