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CHINA RESOURCES PEOPLES TELEPHONE COMPANY LIMITED

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

Announcement

As part of the International Placing, it is proposed that approximately 198,318,000 Shares, representing approximately 73.9 per cent. of the Shares offered in the Global Offering will be subscribed and/or purchased by seven independent corporate investors. A total of 1,213 valid applications (including electronic application instructions given to HKSCC) have been received pursuant to the Hong Kong Public Offering for a total of 14,334,500 Shares, equivalent to approximately 53.4 per cent. of the total number of 26,852,500 Shares initially available for subscription under the Hong Kong Public Offering. Accordingly, 12,518,000 Shares initially to be offered under the Hong Kong Public Offering have been reallocated to satisfy demand under the International Placing pursuant to the terms of the Underwriting Agreements. It is proposed that the Global Coordinator will retain approximately 21,400,000 Shares, representing approximately 8.4 per cent. of the Shares finally allocated to the International Placing for its own account.

The corporate investors referred to above are not subject to any lock up agreement or restriction on the sale, transfer or disposal of the Shares.

The Directors do not consider the proposed subscription and/or purchase by the corporate investors referred to above as sufficiently material to investors to justify a re-launch of the Hong Kong Public Offering or to allow investors who have submitted their applications for the Hong Kong Offer Shares to withdraw from the Hong Kong Public Offering for the purposes of the Companies Ordinance or as constituting a significant new matter under Rule 11.13 of the Listing Rules.

The Company wishes to clarify that the statements made in certain newspaper articles appearing on 27 March 2004 and today to the effect that there will be no delay to the listing timetable had not been made by it or any of its directors. Due to the fact that the Offer Price was not determined until 29 March 2004, the timetable for the Hong Kong Public Offering has been delayed. Dealings in Shares on the Stock Exchange are expected to commence on 1 April 2004 (rather than 31 March 2004 as previously disclosed in the Prospectus).

Revised offer statistics, shareholdings in the issued share capital of the Company and the estimated amounts of gross proceeds and net proceeds accruing to the Company, immediately following completion of the Global Offering are also set out in this announcement as a result of the determination of the Offer Price at HK\$4.55 and the Capitalisation Issue taking effect on 1 April 2004.

The Company refers to the Prospectus relating to the offering in Hong Kong of 26,852,500 of its Shares. It is noted that the application period under the Hong Kong Public Offering ended on 25 March 2004.

Proposed Allocation of Shares

As part of the International Placing, it is currently proposed that approximately 198,318,000 Shares, representing approximately 73.9 per cent. of the Shares offered in the Global Offering will be subscribed and/or purchased by seven corporate investors. These corporate investors are independent of and not connected with the Company, its directors, chief executive or substantial shareholders or any of their respective associates (as defined in the Listing Rules). A total of 1,213 valid applications (including electronic application instructions given to HKSCC) have been received pursuant to the Hong Kong Public Offering for a total of 14,334,500 Shares, equivalent to approximately 53.4 per cent. of the total number of 26,852,500 Shares initially available for subscription under the Hong Kong Public Offering. Accordingly, 12,518,000 Shares initially to be offered under the Hong Kong Public Offering have been reallocated to satisfy demand under the International Placing pursuant to the terms of the Underwriting Agreements. It is proposed that the Global Coordinator will retain approximately 21,400,000 Shares, representing approximately 8.4 per cent. of the Shares finally allocated to the International Placing for its own account. The International Placing is in compliance with Appendix 6 to the Listing Rules. 34,472,500 Shares, representing approximately 13.6 per cent. of the total number of Shares finally allocated to the International Placing, are proposed to be sold to parties other than the Sponsor and the seven corporate investors.

The Company cannot assure investors that any concentration of investors in the Shares will not affect the liquidity of the market for the Shares. Please refer to the section entitled “Risk Factors — Risks relating to ownership of our Shares — There has been no prior public market for our Shares” in the Prospectus.

In addition, none of the corporate investors referred to above is subject to any lockup agreement or other restriction on the sale, transfer or disposal of the Shares and all Shares held by these investors will be eligible for immediate sale, transfer or disposal. Any sale, transfer or disposal of a substantial amount of Shares, or the perception that such sales, transfer or disposal may occur, could adversely affect the prevailing market price of the Shares.

The Directors do not consider the proposed subscription and/or purchase by the corporate investors referred to above as sufficiently material to investors to justify a re-launch of the Hong Kong Public Offering or to allow investors who have submitted their applications for the Hong Kong Offer Shares to withdraw from the Hong Kong Public Offering for the purposes of the Companies Ordinance. The Directors also do not consider the proposed subscription and/or purchase by the corporate investors referred to above as constituting a significant new matter under Rule 11.13 of the Listing Rules. Please refer to the section titled “Structure of the Global Offering” in the Prospectus for details relating to the way in which allocations to investors are made. However, the Company wishes to inform potential investors of the above development prior to the commencement of dealings in its Shares on 1 April 2004 (rather than 31 March 2004 as previously disclosed in the Prospectus). See below for details of the revised timetable for the Hong Kong Public Offering.

Investors are reminded to exercise caution in their dealings in the Shares.

Revised Timetable

The Company wishes to refer to certain newspaper articles in the Standard and the Singtao Daily appearing on 27 March 2004 and today which stated that Mr. Michael Leung, the Vice-Chairman of the Company, had said that “the Company’s listing plan is on track, and there will be no delays” and an executive director at UBS AG’s Investment Banking Division said that the Company would make an announcement on 29 March 2004. Mr. Michael Leung and UBS AG have confirmed that no such statements had been made by them respectively. The Directors are not aware of the source of such statements. Due to the fact that the Offer Price was not determined until 29 March 2004, the timetable for the Hong Kong Public Offering has been delayed. The following is the revised timetable.

	Date in Prospectus	Revised timetable
Price Determination Date	Friday, 26 March 2004	Monday, 29 March 2004
Announcement of the Offer Price, the indication of level of interest in the International Placing, the results of applications in the Hong Kong Public Offering and the basis of allotment of the Hong Kong Offer Shares to be published in the South China Morning Post and Hong Kong Economic Times on or before	Tuesday, 30 March 2004	Tuesday, 30 March 2004
Despatch of refund cheques on or before	Tuesday, 30 March 2004	Tuesday, 30 March 2004
Despatch of Share certificates on or before	Tuesday, 30 March 2004	Wednesday, 31 March 2004
Dealings in Shares on the Stock Exchange expected to commence on	Wednesday, 31 March 2004	Thursday, 1 April 2004

Revised Offer Statistics

The Prospectus sets out offer statistics and shareholdings in the issued share capital of the Company immediately following completion of the Global Offering. Such information is provided based on the assumption of an offer price of HK\$5.10 per Share (being the mid-point of the price range stated in the Prospectus) and the Capitalisation Issue taking effect on 31 March 2004. In view of the revised timetable mentioned above, the Capitalisation Issue is expected to take effect on 1 April 2004. On the bases that the Offer Price has been determined to be HK\$4.55 and the Capitalisation Issue takes effect on 1 April 2004, the following sets out revised offer statistics for the Global Offering, shareholdings in the issued share capital of the Company and the estimated amounts of gross proceeds and net proceeds accruing to the Company, immediately following completion of the Global Offering, the Capitalisation Issue and the Conversion.

Offer Statistics

Market capitalisation (HK\$ million) ⁽¹⁾	3,383.6
Adjusted net tangible asset value per Share (HK\$) ⁽²⁾	1.24

Shareholdings⁽³⁾

	<i>Percentages</i>	<i>Number of Shares</i>
China Resources	47.6%	353,658,770
Onwel Capital	15.7%	116,900,331
Celtel	0.6%	4,556,918
Public shareholders	<u>36.1%</u>	<u>268,525,000</u>
Total	<u>100.0%</u>	<u>743,641,019</u>

Notes:

- (1) The calculation of market capitalisation is based on 743,641,019 Shares expected to be in issue following the Global Offering (assuming no exercise of the Over-allotment Option), the Capitalisation Issue and the Conversion. The number of Shares to be issued under the Capitalisation Issue is determined by reference to the total cumulative preferential dividend accumulated as at 1 April 2004 divided by HK\$4.55.
- (2) The adjusted net tangible asset value per Share is based on 743,641,019 Shares expected to be in issue following completion of the Global Offering (assuming no exercise of the Over-allotment Option), the Capitalisation Issue and the Conversion. The number of Shares to be issued under the Capitalisation Issue is determined by reference to the total cumulative preferential dividend accumulated as at 1 April 2004 divided by HK\$4.55.
- (3) The calculation of shareholdings is based on 743,641,019 Shares expected to be in issue following the Global Offering (assuming no exercise of the Over-allotment Option), the Capitalisation Issue and the Conversion. The number of Shares to be issued under the Capitalisation Issue is determined by reference to the total cumulative preferential dividend accumulated as at 1 April 2004 divided by HK\$4.55.

Estimated Proceeds from the Global Offering Accruing to the Company

HK\$ (approximately)

Gross proceeds	680.0 million
Net proceeds (after deduction of underwriting fees and estimated expenses payable by the Company in relation to the Global Offering, assuming no exercise of the Over-allotment Option)	643.0 million

By Order of the Board
Kong Kin Sing, James
Company Secretary

Hong Kong, 29 March 2004

Please also refer to the published version of this announcement in the (South China Morning Post)