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CHINA MOBILE (HONG KONG) LIMITED
(Incorporated in Hong Kong under the Companies Ordinance with limited liability)
(Stock Code: 941)

CHINA RESOURCES PEOPLES TELEPHONE COMPANY LIMITED
(Incorporated in Hong Kong under the Companies Ordinance with limited liability)
(Stock Code: 331)

FIT BEST LIMITED

(Incorporated in the British Virgin Islands with limited liability)

Voluntary conditional cash offers by

**China International Capital Corporation and Merrill Lynch (Asia Pacific) Limited
(Hong Kong) Limited**

**on behalf of
Fit Best Limited,
a wholly-owned subsidiary of China Mobile (Hong Kong) Limited,
to acquire all the issued shares in the share capital,
and for cancellation of all outstanding options, of
China Resources Peoples Telephone Company Limited
(other than those already owned by the Offeror, China Mobile (Hong Kong) Limited
or parties acting in concert with them)**

Financial advisers to China Mobile (Hong Kong) Limited and the Offeror



**China International Capital Corporation
(Hong Kong) Limited**



Merrill Lynch (Asia Pacific) Limited

**Independent financial adviser to the independent board committee of
China Resources Peoples Telephone Company Limited**

The logo for Baron Capital Limited, featuring a stylized 'B' shape inside a circle, followed by the words 'Baron Capital Limited' in English.

**CLOSE OF THE OFFERS,
PRIVATISATION OF CHINA RESOURCES PEOPLES TELEPHONE COMPANY LIMITED
AND SUSPENSION OF TRADING**

The Offeror announces that the Offers closed at 4:00 p.m. on Thursday, 12 January 2006.

As at 4:00 p.m. on Thursday, 12 January 2006, the Offeror had received valid acceptances in respect of (i) 741,294,601 Peoples Shares under the Share Offer, representing approximately 99.68% of the issued Peoples Shares as at the close of the Offers and the voting rights normally exercisable at general meetings of Peoples, and (ii) 310 Peoples Options under the Option Offer, entitling the holders thereof to subscribe for 37,500,000 Peoples Shares representing approximately 63.79% of the total outstanding Peoples Options as at the close of the Offers.

As the level of acceptances has reached the prescribed level required for compulsory acquisition under the Companies Ordinance, and Rule 2.11 of the Takeovers Code permits the exercise of such compulsory acquisition rights, the Offeror will exercise its rights under the Companies Ordinance to compulsorily acquire all those Peoples Shares not already held or acquired by the Offeror, and then proceed to withdraw the listing of the Peoples Shares from the Stock Exchange. Compulsory Acquisition Notices will be sent to the holders of outstanding Peoples Shares on or around Tuesday, 24 January 2006.

In order to facilitate the compulsory acquisition, notice has been given in the joint announcement of CMHK and Peoples dated 29 December 2005 that the register of members of Peoples will be closed from Friday, 20 January 2006 to Wednesday, 25 January 2006 (both dates inclusive). Any person wishing to lodge a share transfer for entry into the register of members of Peoples must lodge such transfer, accompanied by the relevant share certificates, not later than 4:00 p.m. on Thursday, 19 January 2006. **No further transfer of Peoples Shares shall be accepted or considered in any way to be effective after 4:00 p.m. on Thursday, 19 January 2006 (except for transfers to the Offeror).**

Peoples has applied to the Stock Exchange for the suspension of trading of Peoples Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 13 January 2006 up to the withdrawal of listing of Peoples Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Application has been made to the Stock Exchange for the withdrawal of the listing of the Peoples Shares on the Stock Exchange upon completion of the compulsory acquisition, which is expected to be at the end of March 2006.

INTRODUCTION

Reference is made to the joint announcements dated 20 October 2005, 9 November 2005 and 29 December 2005 and the composite offer and response document dated 10 November 2005 (the “**Composite Document**”) issued by China Mobile (Hong Kong) Limited and China Resources Peoples Telephone Company Limited in relation to the voluntary conditional cash offers by China International Capital Corporation (Hong Kong) Limited and Merrill Lynch (Asia Pacific) Limited on behalf of Fit Best Limited, a wholly-owned subsidiary of CMHK, to acquire all the issued Peoples Shares and to cancel all outstanding Peoples Options (other than those already owned by the Offeror, CMHK or the Concert Parties).

Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as defined in the Composite Document.

CLOSE OF THE OFFERS

Following the extension of the Offer Period as announced in the joint announcement of CMHK and Peoples dated 29 December 2005, the Offeror announces that the Offers closed at 4:00 p.m. on Thursday, 12 January 2006.

LEVEL OF ACCEPTANCES

As at 4:00 p.m. on Thursday, 12 January 2006, the Offeror has received valid acceptances in respect of (i) 741,294,601 Peoples Shares under the Share Offer, representing approximately 99.68% of the issued Peoples Shares as at the close of the Offers and the voting rights normally exercisable at general meetings of Peoples, and (ii) 310 Peoples Options under the Option Offer, entitling the holders thereof to subscribe for 37,500,000 Peoples Shares representing approximately 63.79% of the total outstanding Peoples Options as at the close of the Offers. The remaining outstanding Peoples Options entitle their holders to subscribe for an aggregate of 12,850,000 Peoples Shares, out of which, options in respect of 10,280,000 Peoples Shares have lapsed on 12 January 2006 and the balance of the options in respect of 2,570,000 Peoples Shares will remain exercisable options under the Peoples’ Pre-IPO Share Option Scheme.

COMPULSORY ACQUISITION

As disclosed in the Composite Document, if the Offeror receives valid acceptances of the Share Offer for not less than 90% of the disinterested Peoples Shares, the Offeror intends to apply the provisions of the Companies Ordinance to compulsorily acquire any remaining Peoples Shares and to apply for a de-listing of Peoples Shares from the Stock Exchange.

As at the close of the Offers, the Offeror has received valid acceptances in respect of approximately 99.68% of disinterested Peoples Shares under the Share Offer.

As the level of acceptances has reached the prescribed level required for compulsory acquisition under the Companies Ordinance, and Rule 2.11 of the Takeovers Code permits the exercise of such compulsory acquisition rights, the Offeror will exercise its rights under the Companies Ordinance to compulsorily acquire all those Peoples Shares not already held or acquired by the Offeror, and then proceed to withdraw the listing of the Peoples Shares from the Stock Exchange.

Notices of compulsory acquisition (the “**Compulsory Acquisition Notices**”) will be sent to the holders of outstanding Peoples Shares on or around Tuesday, 24 January 2006. Once the Compulsory Acquisition Notices are given to the holders of outstanding Peoples Shares, the Offeror shall be entitled and bound to acquire those outstanding Peoples Shares on the expiration of two months from the date on which such notices are given on the terms of the Share Offer, unless the court makes an order to the contrary upon the application of a holder of the outstanding Peoples Shares.

Under the Companies Ordinance, a holder of outstanding Peoples Shares may, by notice in writing addressed to the Offeror, require the Offeror to acquire those outstanding Peoples Shares. However, as the terms of the compulsory acquisition are the same as those under the Share Offer, it is not necessary for such holder who remains a holder of Peoples Shares on 20 January 2006 to invoke such statutory right to put their outstanding Peoples Shares to the Offeror.

Completion of the compulsory acquisition is currently expected to take place by the end of March 2006 (subject to no court order being applied for or made to the contrary), whereby all Peoples Shares not already held or acquired by the Offeror will be acquired by the Offeror compulsorily, whether or not the holders of outstanding Peoples Shares respond to the Compulsory Acquisition Notices.

CLOSURE OF THE REGISTER OF MEMBERS OF PEOPLES

In order to facilitate the compulsory acquisition, notice has been given in the joint announcement of CMHK and Peoples dated 29 December 2005 that the register of members of Peoples will be closed from Friday, 20 January 2006 to Wednesday, 25 January 2006 (both dates inclusive). Any person wishing to lodge a share transfer for entry into the register of members of Peoples must lodge such transfer, accompanied by the relevant share certificates, with the Registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Thursday, 19 January 2006. **As the Offeror will despatch the Compulsory Acquisition Notices during the closure of the register of members of Peoples, no further transfer of Peoples Shares shall be accepted or considered in any way to be effective after 4:00 p.m. on Thursday, 19 January 2006 (except for transfers to the Offeror).**

INTERESTS OF THE OFFEROR AND THE CONCERT PARTIES IN PEOPLES

Save for the shareholdings for the account of non-discretionary clients by Merrill Lynch and the brokerage division of a subsidiary of CICC, neither the Offeror nor the Concert Parties held, controlled or directed any Peoples Shares, Peoples Options or any other rights over Peoples Shares before the commencement of the Offer Period.

During the Offer Period, save for the dealings/shareholdings for the account of non-discretionary clients by Merrill Lynch and the brokerage division of a subsidiary of CICC, or otherwise pursuant to the acceptances of the Offers, neither the Offeror nor the Concert Parties acquired or agreed to acquire any Peoples Shares, Peoples Options or any other rights over Peoples Shares.

SUSPENSION OF TRADING AND WITHDRAWAL OF LISTING

Peoples has applied to the Stock Exchange for the suspension of trading of Peoples Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 13 January 2006 up to the withdrawal of listing of Peoples Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Application has been made to the Stock Exchange for the withdrawal of the listing of the Peoples Shares on the Stock Exchange upon completion of the compulsory acquisition, which is expected to be at the end of March 2006. Further announcement will be made to inform the public about the timing and other details of the withdrawal of the listing of the Peoples Shares on the Stock Exchange.

By order of the Board
CHINA MOBILE (HONG KONG) LIMITED
Wang Jianzhou
Chairman and Executive Director

By order of the Board
CHINA RESOURCES PEOPLES TELEPHONE COMPANY LIMITED
Jiang Wei
Chairman and Non-executive Director

Hong Kong, 12 January 2006

The directors of CMHK jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Peoples Group) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than as specified above) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the Peoples Group) not contained in this announcement, the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the board of directors of CMHK comprises Mr. Wang Jianzhou, Mr. Li Yue, Mr. Lu Xiangdong, Mr. Xue Taohai, Mr. Zhang Chenshuang, Madam Li Mofang, Madam Xin Fanfei and Mr. Xu Long as executive directors, Dr. Lo Ka Shui, Mr. Frank Wong Kwong Shing and Mr. Moses Cheng Mo Chi as independent non-executive directors and Sir Julian Michael Horn-Smith as a non-executive director.

The directors of Peoples jointly and severally accept full responsibility for the accuracy of the information contained in this announcement in respect of the Peoples Group and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement in respect of the Peoples Group have been arrived at after due and careful consideration and there are no other facts not contained in this announcement in respect of the Peoples Group, the omission of which would make any statements in this announcement in respect of the Peoples Group misleading.

As at the date of this announcement, the board of directors of Peoples comprises Mr. Leung Kai Hung, Michael, Mr. Henshaw Charles Guy, Mr. Wong Man Kwan, Willie and Ms. Wong Leung Ka On, Charlotte as executive directors, Professor Chen Kwan Yiu, Edward, Mr. Lam Kwong Yu, Mr. Ma Chiu Cheung, Andrew and Mr. Tan Henry as independent non-executive directors and Mr. Jiang Wei, Dr. Huang Zhi Jian, Mr. Li Fu Zuo, Mr. Sinn Chung Ming, Anthony, Mr. Wu Jun and Mr. Yan Biao as non-executive directors.

*Please also refer to the published version of this announcement in **South China Morning Post**.*