

# Glossary

This glossary contains certain definitions and other terms as they relate to the Company and the Group and as they are used in the Annual Report. These definitions may, or may not, correspond to standard industry definitions.

## Average number of subscribers

For each year from 2000 to 2002, the average number of subscribers is the weighted average of the number of subscribers in each calendar month in that year. In this annual report, the average number of subscribers is used to calculate indicators such as Minutes of Usage Per User Per Month (MOU) and Average Revenue Per User Per Month (ARPU).

## Base (transceiver) station

Base (transceiver) station refers to transmitters, receivers and antennas serving each wireless network cell. Their transmission power will determine the radius of each cell.

## BOSS

Business Operation Support System, which includes billing systems, settlement systems, business management systems and customer services systems.

## Channel

For mobile communications, a channel is a pair of frequencies for signal transmission. There are two types of channels for GSM: voice channels for the transmission of voice and data; and control channels for the transmission of network management information and channel control information, and application data information such as short message services.

## e-Freedom

"e-Freedom" is a wireless access service to the Internet (or Intranet) provided by the Group to business subscribers and corporate subscribers. Customers can enjoy the freedom of wireless access to the Internet by inserting a network card (including GPRS card or WLAN card) and an exclusive data SIM card into a notebook computer or PDA, without the need of other external devices.

## GSM

Global System for Mobile Communications, a pan-European mobile telephone system based on digital transmission and cellular network architecture with roaming capability. GSM is the standard accepted in most of Europe, the Middle East, Africa, Australia and Asia (with the exception of, among others, Japan and South Korea).

## Interconnection

The establishment of effective communication links between telecommunications networks so as to permit the subscribers of a telecommunications service operator to communicate with the subscribers of another telecommunications service operator or to utilize the telecommunications services provided by another telecommunications service operator.

## IP

Internet Protocol, the standard communication protocol used in the exchange of information between terminals or network equipment over the Internet.

## IP-based long distance call

IP-based long distance call refers to the encoding of long distance call voice signals using IP Protocol and transmitting them over an IP network. In this case, the voice signals are divided into packets and each packet is sent separately instead of setting up and maintaining a voice channel between the calling and called parties for the duration of a call.



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## **MMS**

Multimedia Messaging Service (MMS). MMS is capable of delivering messages combining animated color pictures, sounds, text and motion pictures. MMS is a mobile data service launched after SMS.

## **Mobile switching center**

Mobile switching center processes communications between mobile subscribers and other subscribers (such as mobile subscribers, ISDN subscribers and fixed line subscribers, etc.). Mobile switching center includes the necessary database for the storage of subscriber information and equipment to perform subscriber mobility functions.

## **Monternet**

“Monternet” is China Mobile’s unified brand for mobile data businesses.

## **M-Zone**

A customer brand introduced by the Group that targets the critical “youth” market. Customer usage is encouraged and regular usage patterns for telecommunications services are cultivated through offerings of bundled voice and mobile data services, which enable users to follow trends in fashion, entertainment and leisure, and to more readily socialize with their peers.

## **Network utilization rate**

The ratio of the aggregate subscriber base to the capacity of the mobile telecommunications network. At present, the capacity of the mobile telecommunications network is calculated on the basis that each wireless voice channel can support 30 subscribers.

## **Penetration rate**

The total number of subscribers (including the estimated subscribers using the services of other operators) divided by the total population within a designated area.

## **Roaming**

A service which allows a subscriber to use his or her handset while outside of his or her home location. Roaming requires an agreement between operators in order to permit subscribers to access the other operator’s system.

## **VPMN**

A flexible and convenient telecommunications service which is provided to corporate customers by means of a dedicated logical network on the Group’s mobile telecommunications network, utilizing methodologies such as unique code planning. VPMN provides personalized services and a means for providing comprehensive solutions to corporate customers.

## **3G (Third Generation mobile telecommunications technologies)**

Third Generation mobile telecommunications technologies are focused on providing wireless broadband multi-media communications services, including high-speed data services, imaging services and global roaming.

