



00110 110 中国移动通信 00100000 0
CHINA MOBILE

UBS Warburg – “Global Technology Conference”
Mr. Ding Donghua, Chief Financial Officer of CMHK
February 19, 2001

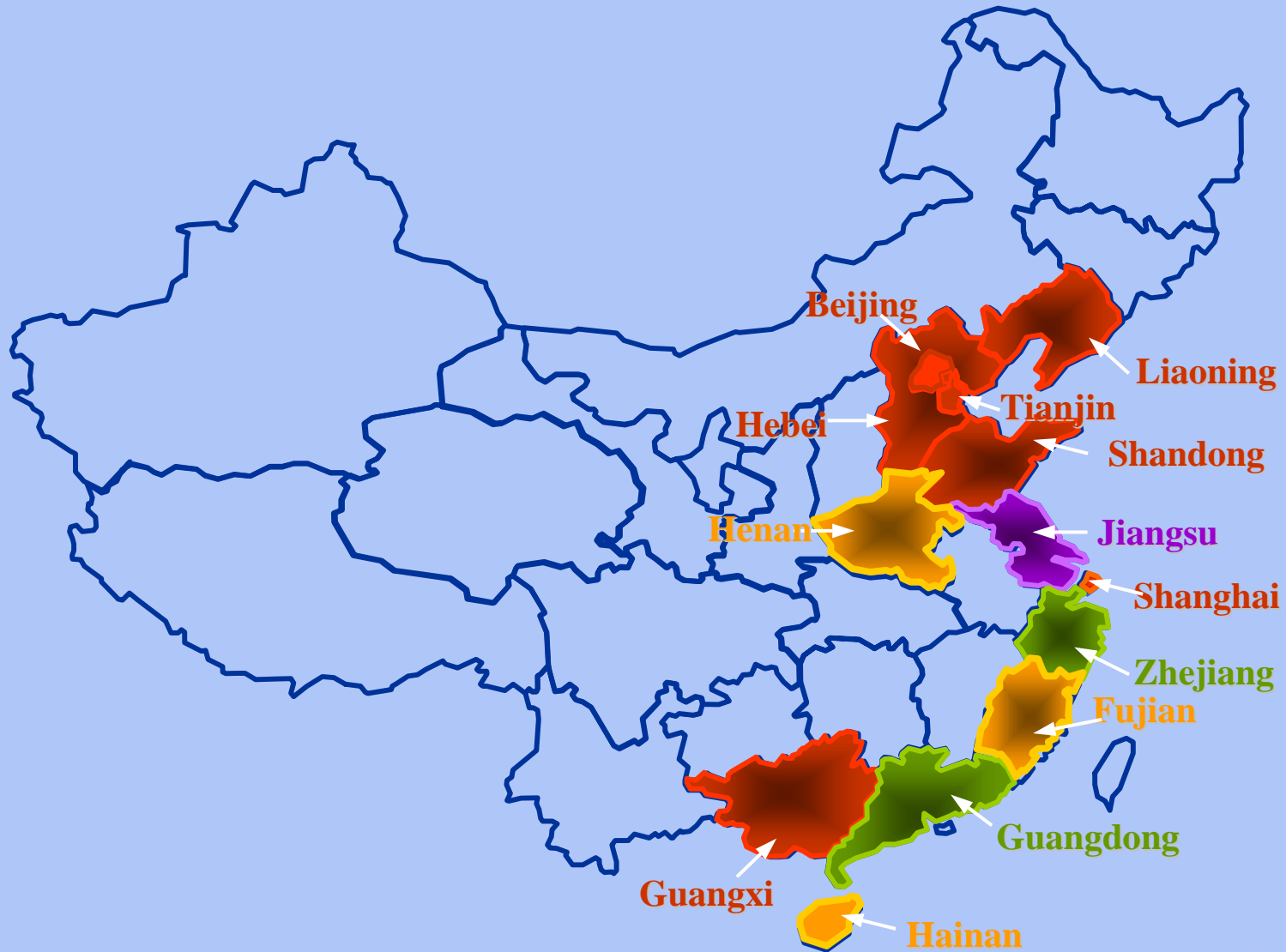
China Mobile (Hong Kong) Ltd

- **History of Development**
- **Business Strategy**
- **Latest Development**

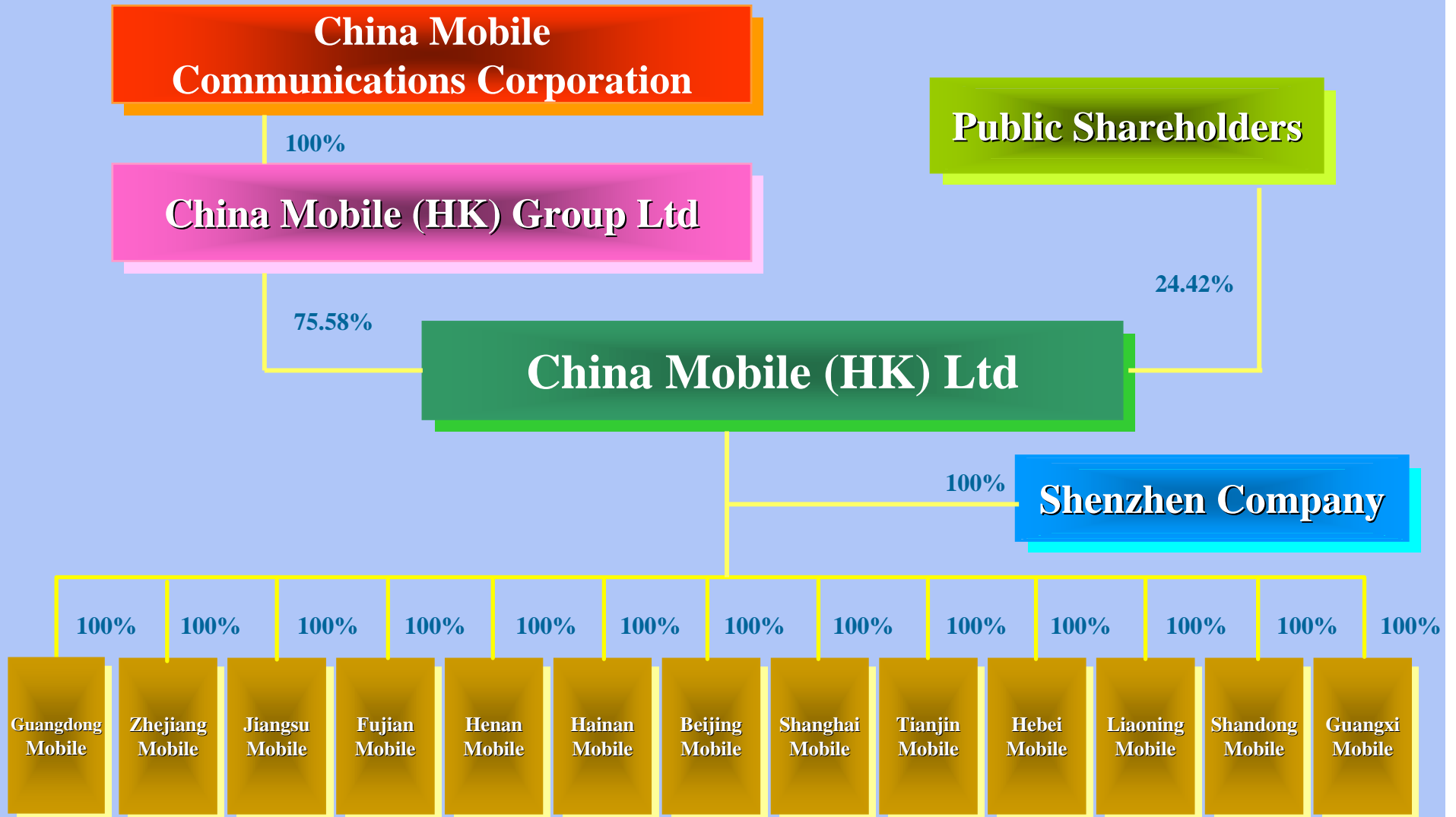
History of Development



Operations Coverage

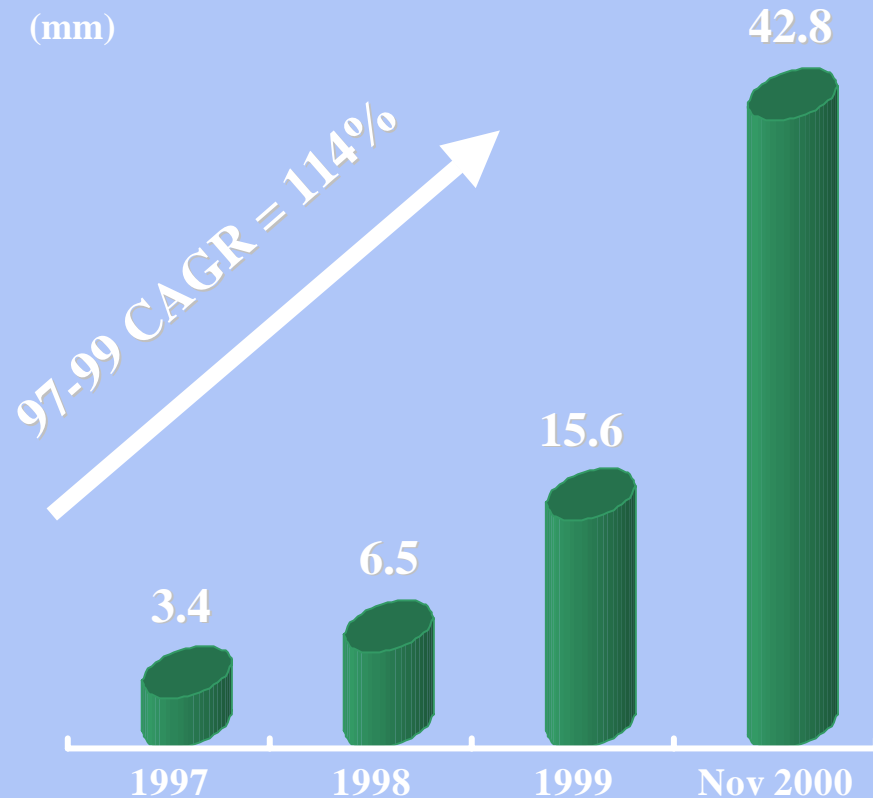


Ownership Structure

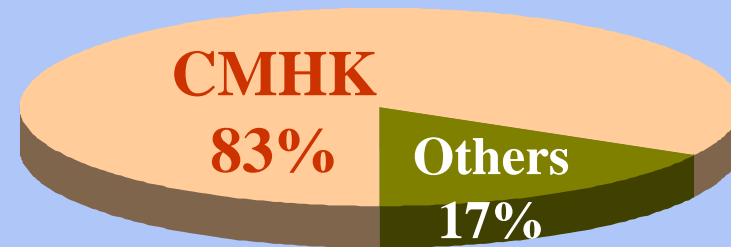


Our Growth and Market Leadership

Subscriber Growth



Market Share*

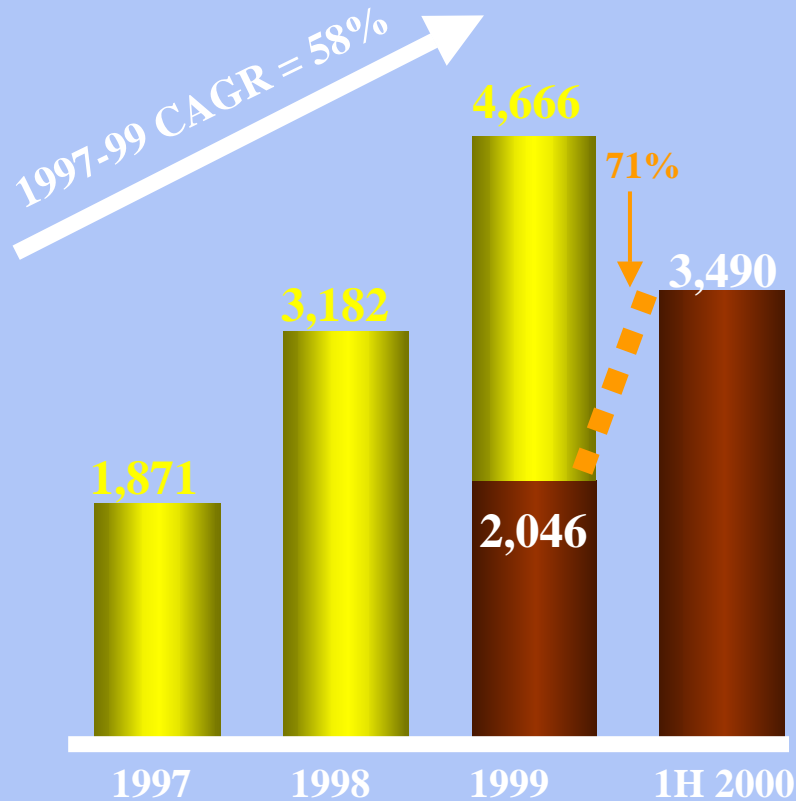


* Market share as of June 30, 2000 in our service area

Strong Financial Performance

Revenue Growth

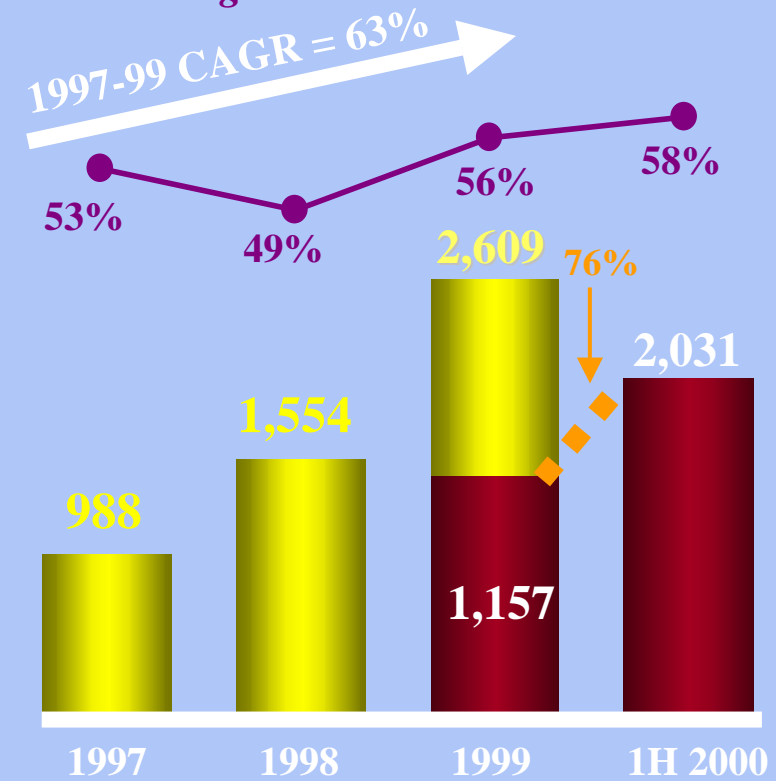
US\$ (mm)



EBITDA Growth

EBITDA (US\$ mm)

Margin

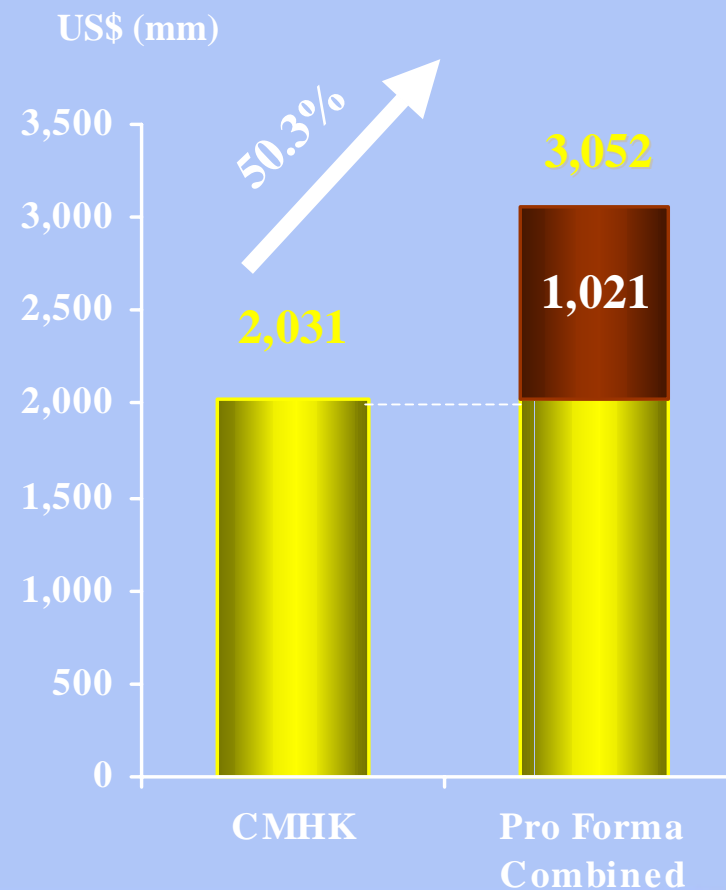
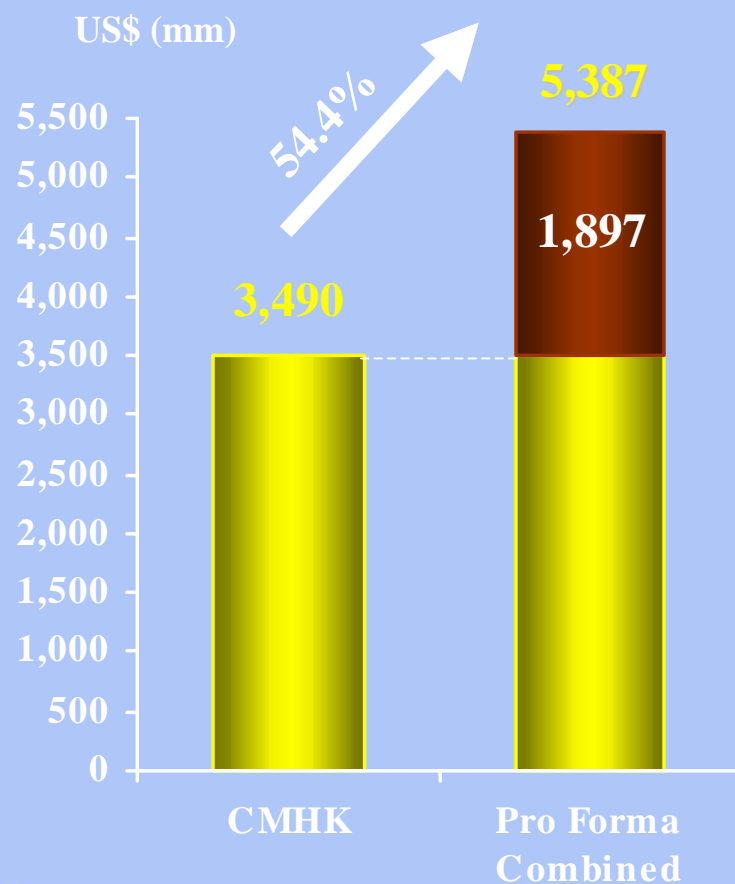


Much Larger Revenue and EBITDA Base

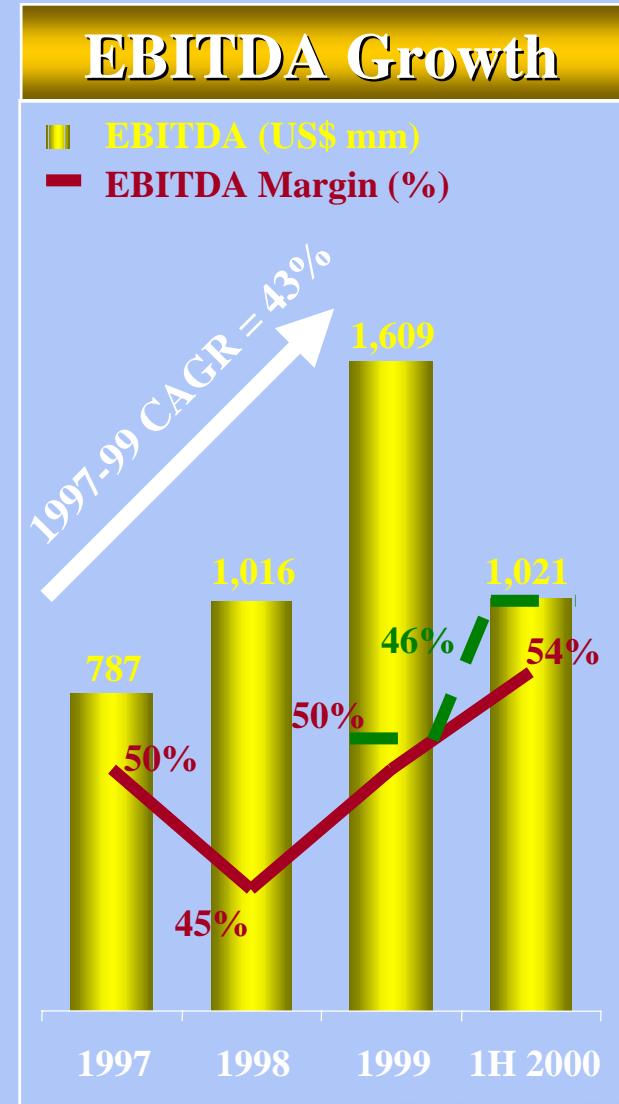
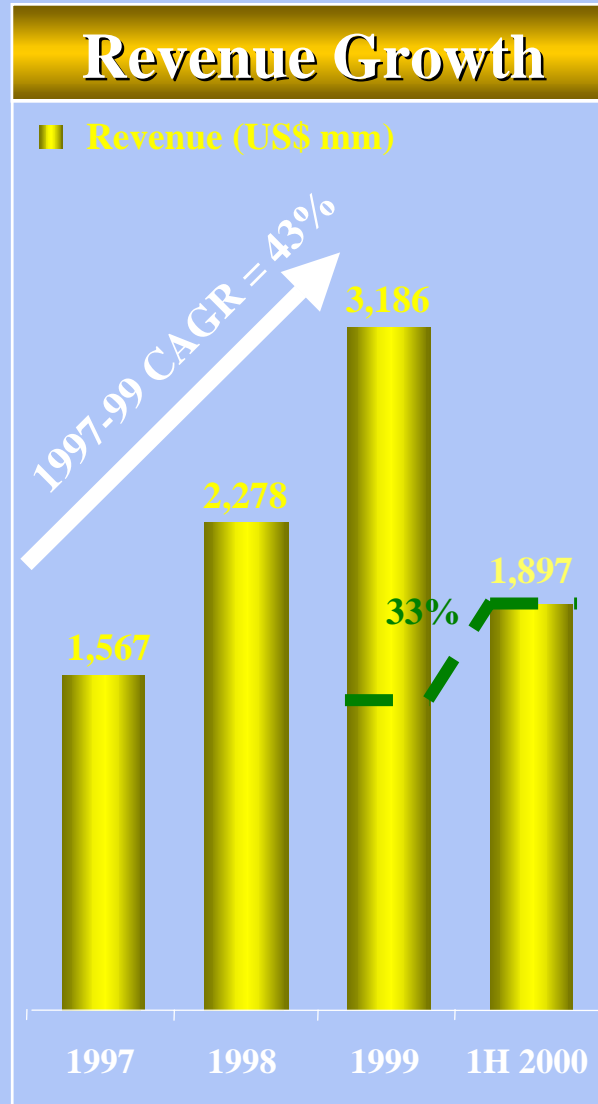
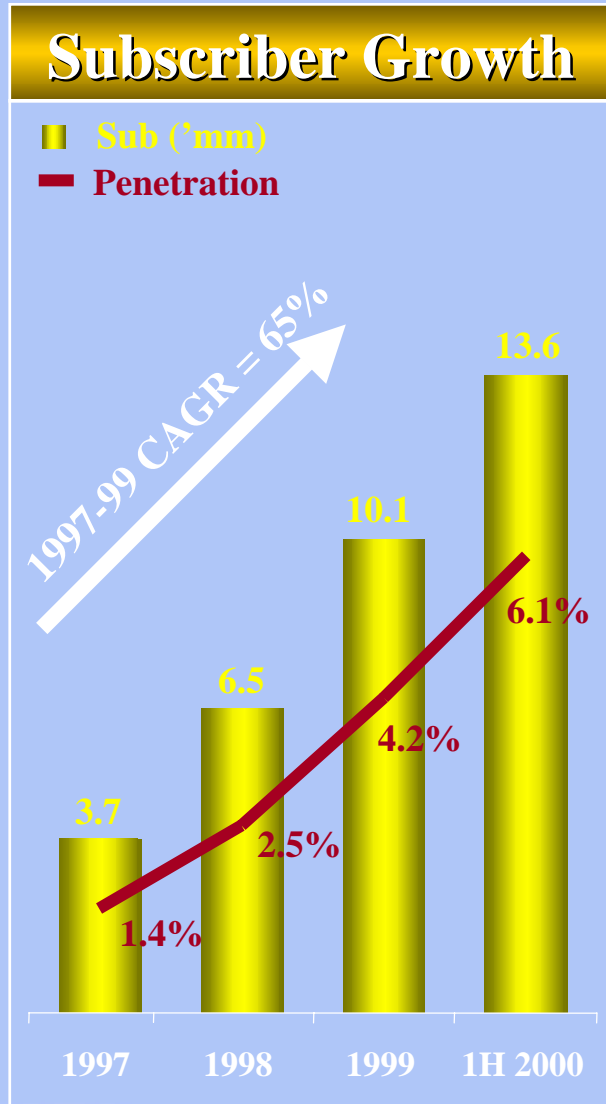
Revenue*

EBITDA*

*For the six months ended June 30, 2000

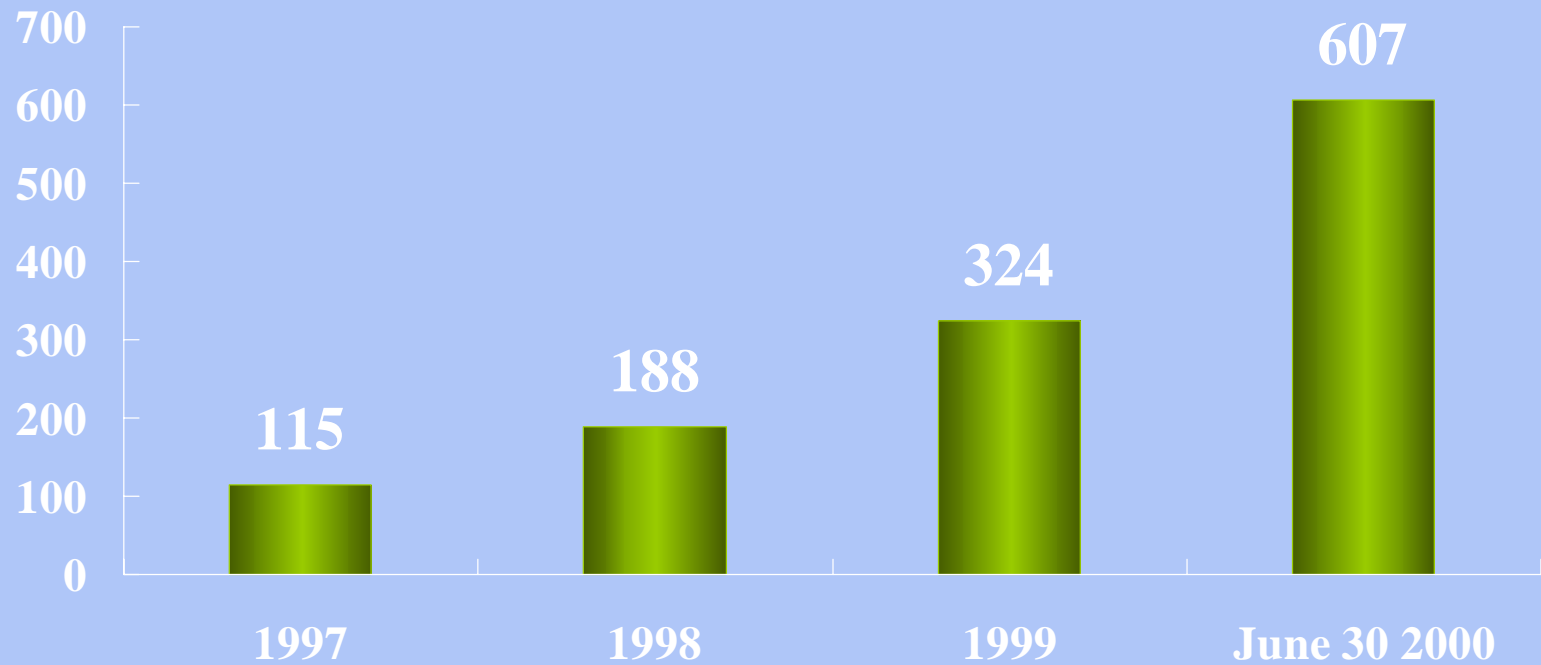


High Growth Market Leaders



Significantly Increased Covered Population

Population Under Coverage (mm)

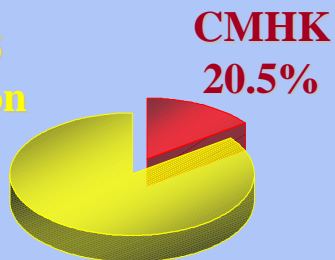


Post-Acquisition
Pro Forma

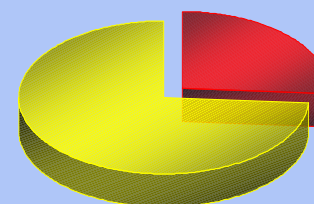
Enhanced Market Position

% of Nationwide Cellular Subscribers

Dec 31, 1998
Pre-acquisition



Dec 31, 1998



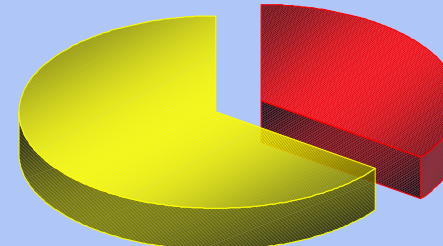
CMHK
26.1%

2000 Acquisition (As of June 30)

CMHK	<u>21.64 mm*</u>
Targets	<u>13.64 mm*</u>
Combined	35.28 mm
% Increase	63%



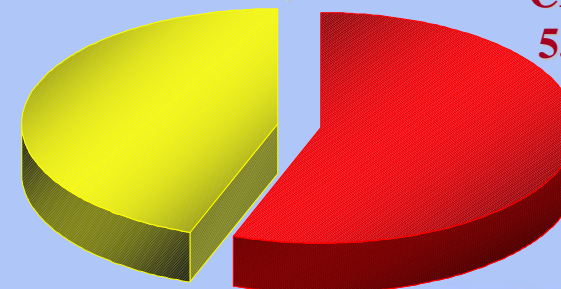
June 30, 1999



CMHK
36.1%



June 30, 2000

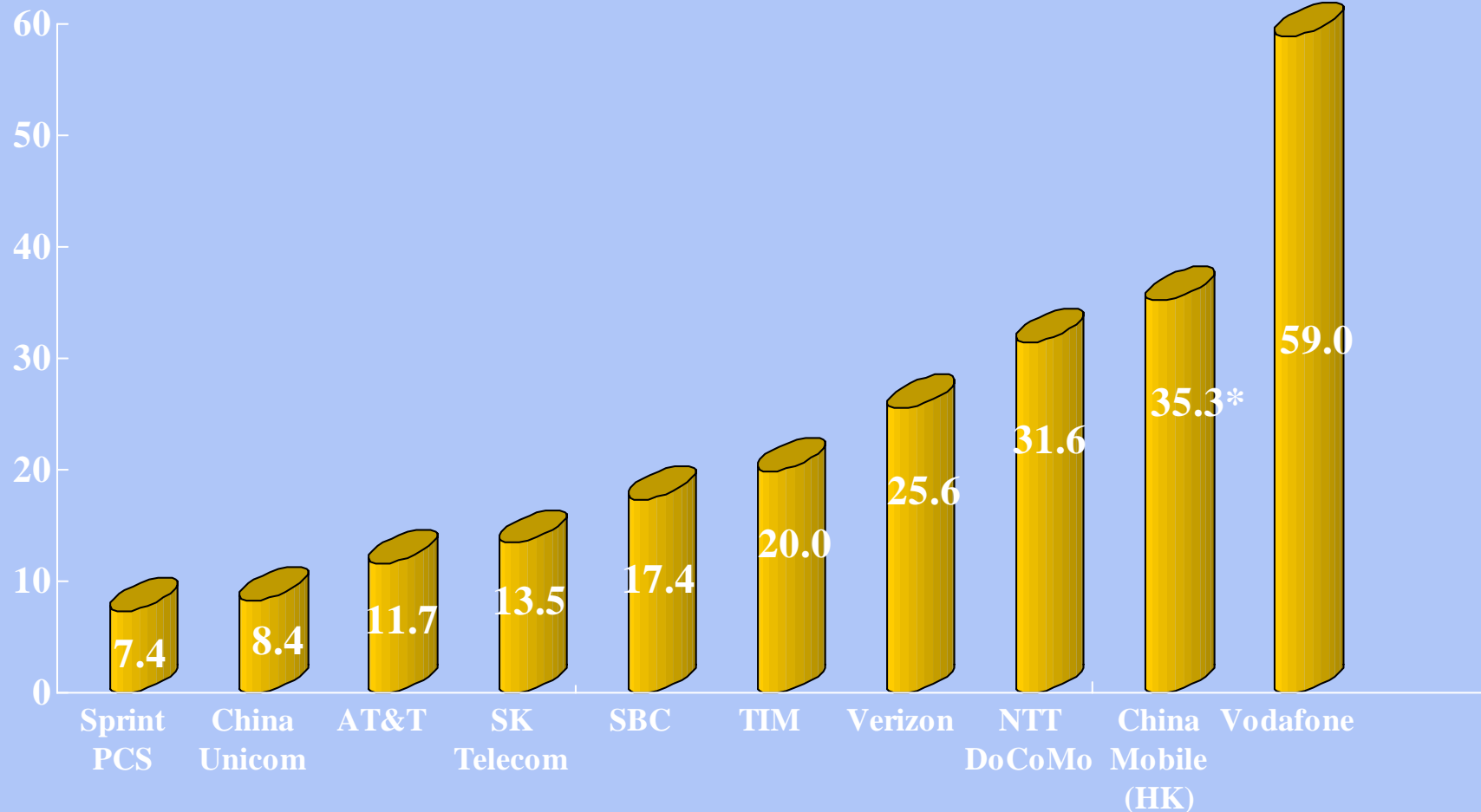


CMHK
55.9%

* September 20, 2000: CMHK 23.9mm and targets 15.4mm

The second largest mobile operator in the world

Subscribers (mm)



* Data as at June 30, 2000

** CMHK had 42.8 mm subscribers by the end of November, 2000

Business Strategy



Business Strategy



Growing Core Mobile Business

- **Broadening subscriber base and capturing market penetration**
- **Focus on high quality subscribers**
- **Integrate our operations and gain efficiency and synergy**
- **Nurture human capital**

Integration and Synergies

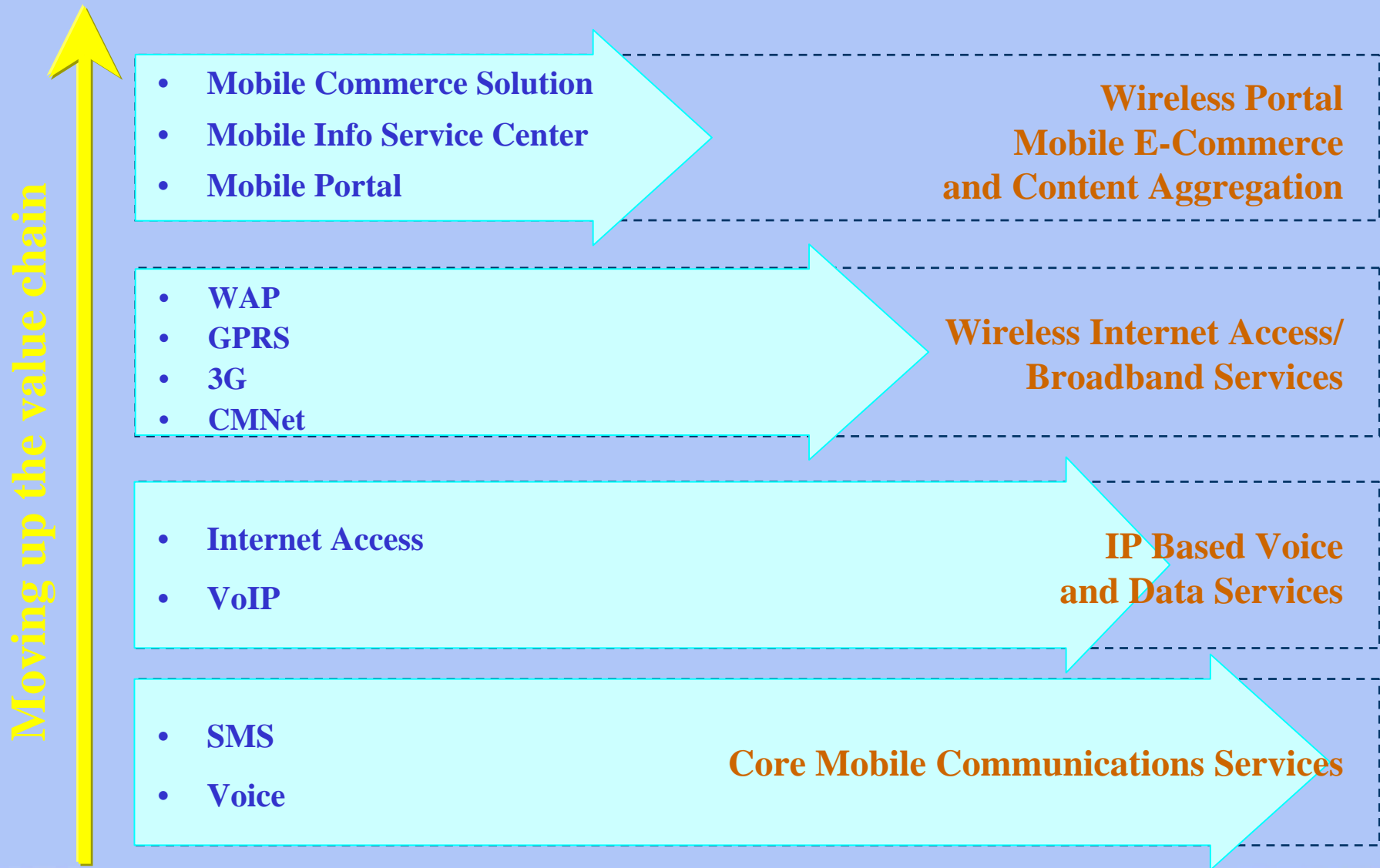
Integration Plan

- Unify operating procedures
- Centralize reporting and financial control
- Introduce Performance based evaluation standards
- Integrate Management

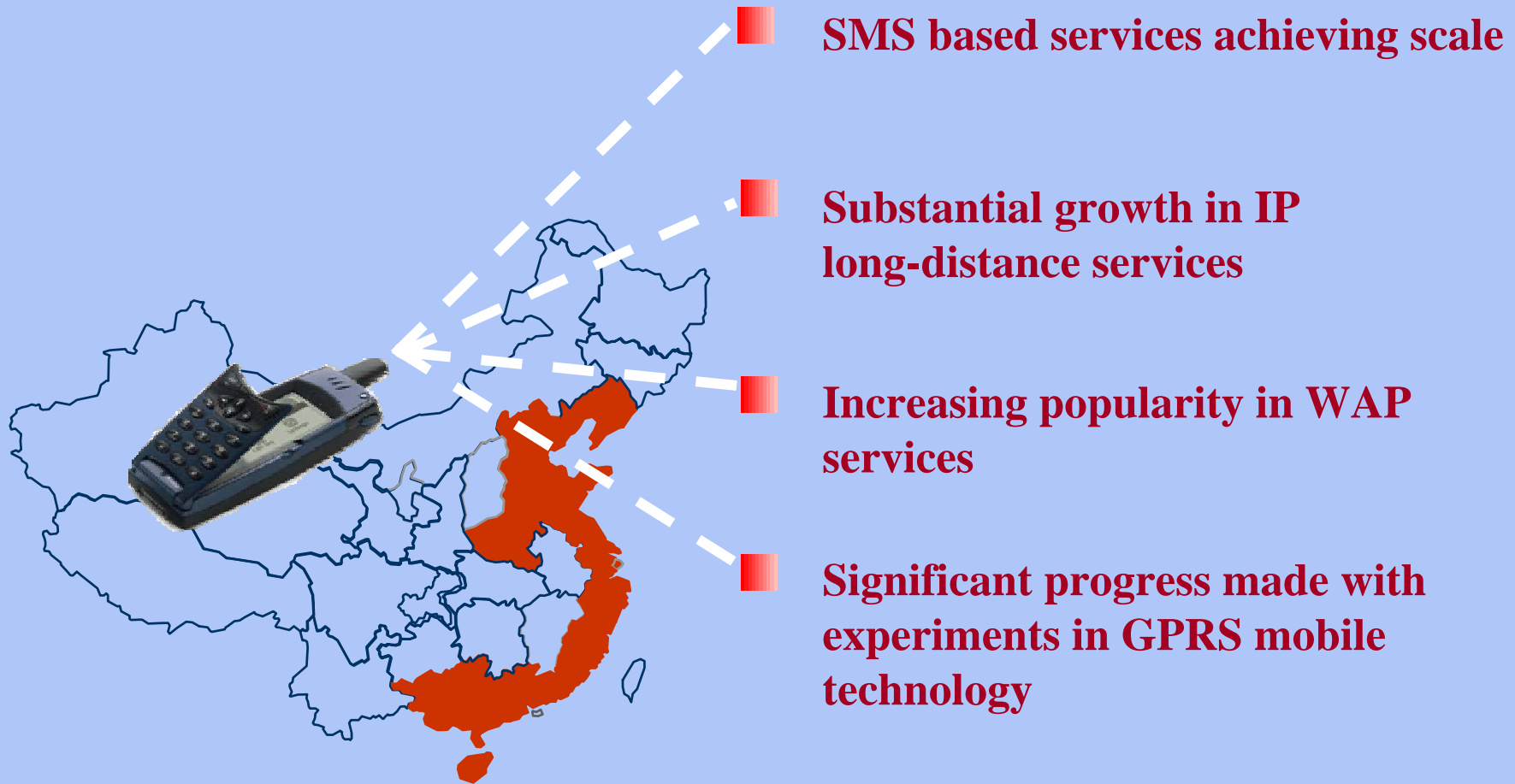
Enhanced Synergies

- Enhanced volume cost savings and negotiation position
- Sharing of R&D, new service development and settlement
- Central marketing and consistent branding
- Management resources and expertise sharing

New Revenue Streams in Broader Telecom Market in China



Pioneering Mobile Data in China



Future Acquisition Possibilities

**In remaining 18 regions
in mainland China, as of
June 30, 2000**

- **52% of national population**
- **3% penetration**
- **16.7 mm China Mobile subscribers***
- **Subscriber CAGR 75% (97 – 99)**



* more than 20 mm as of November 20, 2000

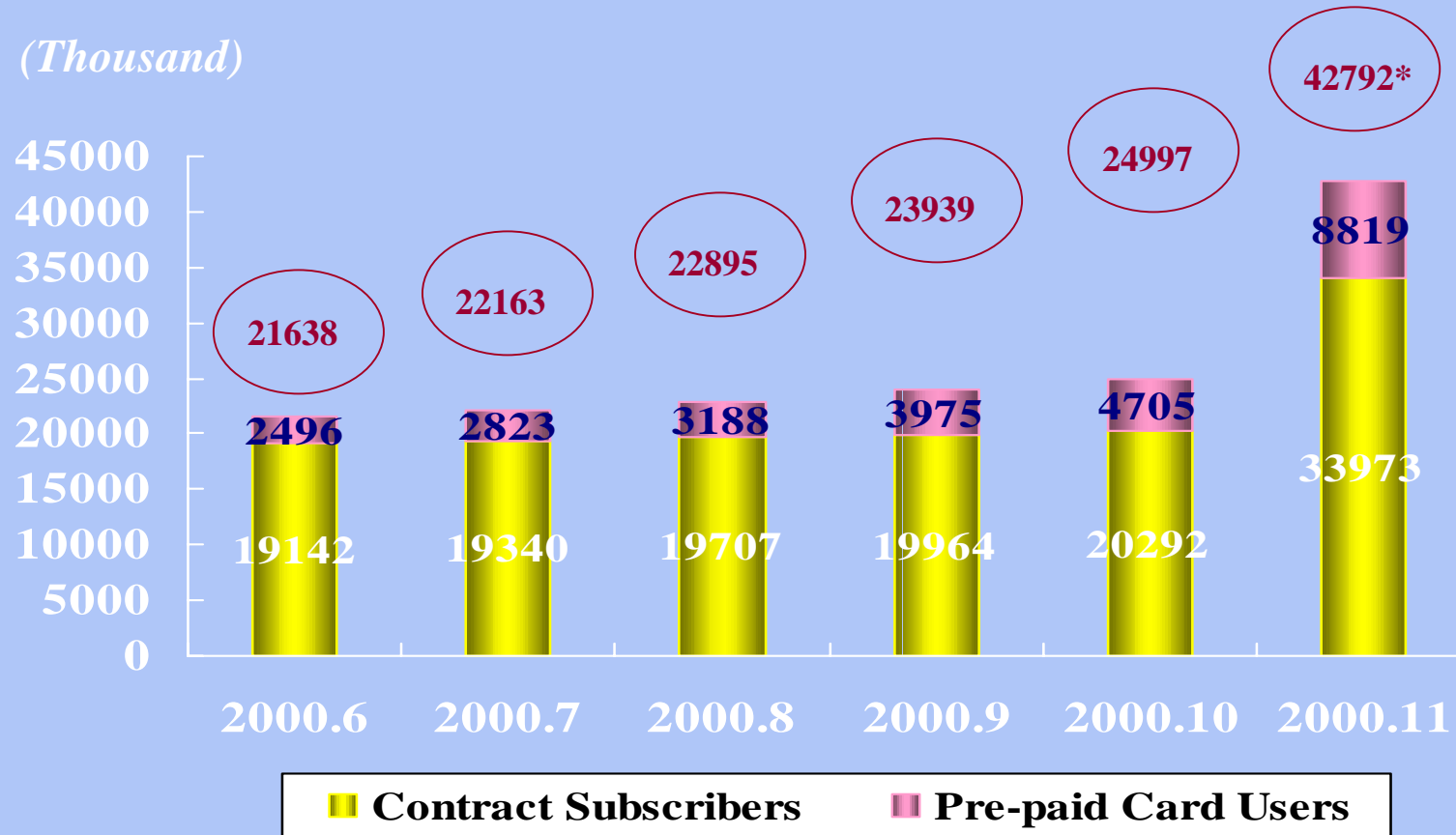
Latest Development



Rapid Growth

Total Subscribers

(Thousand)



* 13 subsidiaries combined figures



New Product Initiatives

- **SMS-based services achieved considerable scale**
- **Substantial growth in IP long-distance services**
- **Continuous development of WAP services**
- **Significant progress in GPRS mobile communications technology experiment**

Strategic Alliance with Vodafone

Far Reaching Cooperation

- **Sharing of management experience and exchange of human resources**
- **Sharing of operational expertise**
 - **Subscriber management**
 - **Network operations**
 - **Marketing and branding**
- **Exclusive licensing of technology to CMHK in China**
- **Potential creation of joint ventures**
- **Strategic alliance governance structure**
- **Long-term objective with strong personal commitments by respective CEOs and senior leadership**

Strategic Alliance for R&D of Wireless Data Services

- **CMHK & HP formed strategic alliance for R&D of wireless data services**
- **To strengthen co-operation in R&D of wireless data services between CMHK and HP**
- **To broaden CMHK's ARPU base and stimulate its subscriber growth**
- **To expand room for wireless data technology development**

Main Content of Tariff Adjustment (I)

- **Reduction in digital transmission lines leasing fees**
- **Reduction in international and Hong Kong, Macau and Taiwan long-distance calling charges**
- **Reduction in domestic long-distance calling charges**

Main Content of Tariff Adjustments (II)

- **Cancellation of surcharges in telecommunications services**
- **Notice relating to other charges**

Implementation of Calling Party Pays System?

- **“ Calling Party Pays” will not be implemented within two years**
- **Overall objective of telecommunications tariff adjustments:**
 - **better development of telecommunications industry**
 - **bringing tariff in line with international standard**
- **Transparency of tariff policy will be further enhanced**
- **Operators will have more autonomy in determining tariff structure**

China Mobile (Hong Kong) Limited

A World-Class

Global Wireless Multimedia

Services Provider





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CHINA MOBILE