

China Mobile (Hong Kong) Limited

2002

Forward-Looking Statements



This presentation contains forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. Actual results may differ materially from those expressed or implied by these forward-looking statements. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation might not occur in the way we expect, or at all. You should not place undue reliance on any forward-looking information.

Agenda



- 2001 Annual Results
- Overview of the Acquisition
- Future Outlook

2001 Annual Results

Key Performance Indicators



Total Subscribers
69.6m

Up
54%

Total Revenue
RMB 100.3 bn

Up
54%

EBITDA
RMB 60.3bn

Up
61%

Net Profit
RMB 28.0 bn

Up
55%

**Sustained High EBITDA Margin
60%**

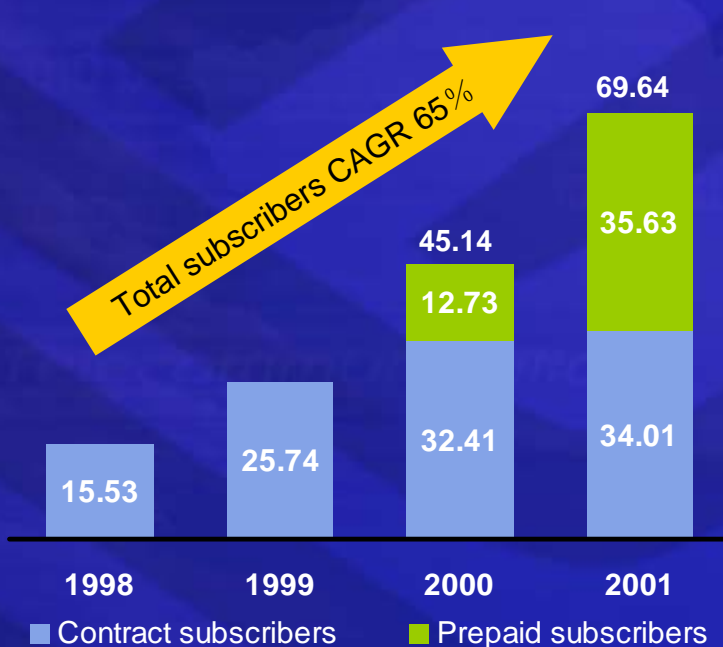
Note: (1) Data as of December 31, 2001
(2) Growth Rate is on actual basis

Significant Business Growth



Subscribers (a)

(million)



Revenue (b)

(RMB million)



Note: (a) Subscriber data from 1998 - 1999 is on a pro-forma basis
(b) Revenue data actual for all years

Strong Cash Flow and Return



EBITDA

(RMB million)

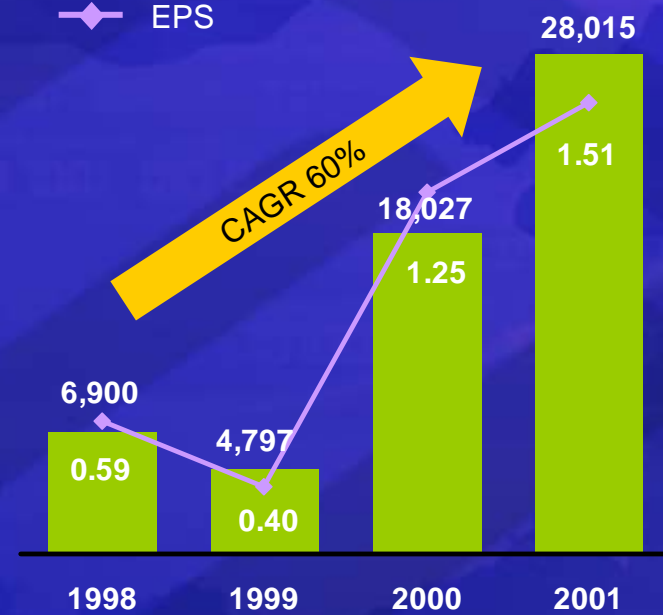
◆ EBITDA Margin



Net Profit

(RMB million, except per share data)

◆ EPS



Note:

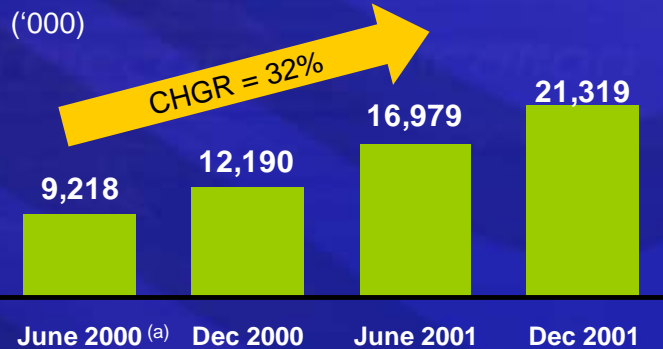
- (1) 1998 Net Profit was after an RMB 188 million write-down and write-off of TACS network equipment. EPS before asset write-down and write-off is RMB 0.60
- (2) 1999 Net Profit was after an RMB 5.5 billion write-down and write-off of TACS network equipment. EPS before asset write-down and write-off is RMB 0.85
- (3) 2000 Net Profit was after an RMB 1.0 billion write-down and write-off of TACS network equipment. EPS before asset write-down and write-off is RMB 1.32

New Business Taking Off



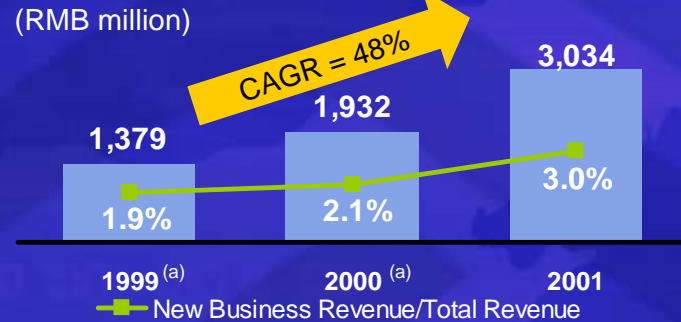
- Focus on providing mobile data platform and development of Chinese content and applications
- Rapid uptake of SMS usage
- Closely monitor the development in 3G technology and services

Data Subscriber

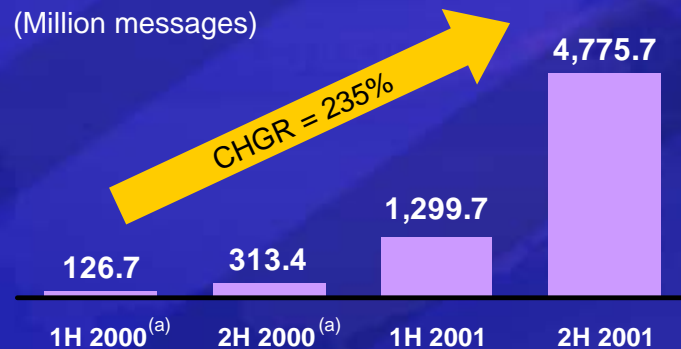


Note: (a) On pro-forma basis
(b) CHGR — Compound Half Yearly Growth Rate

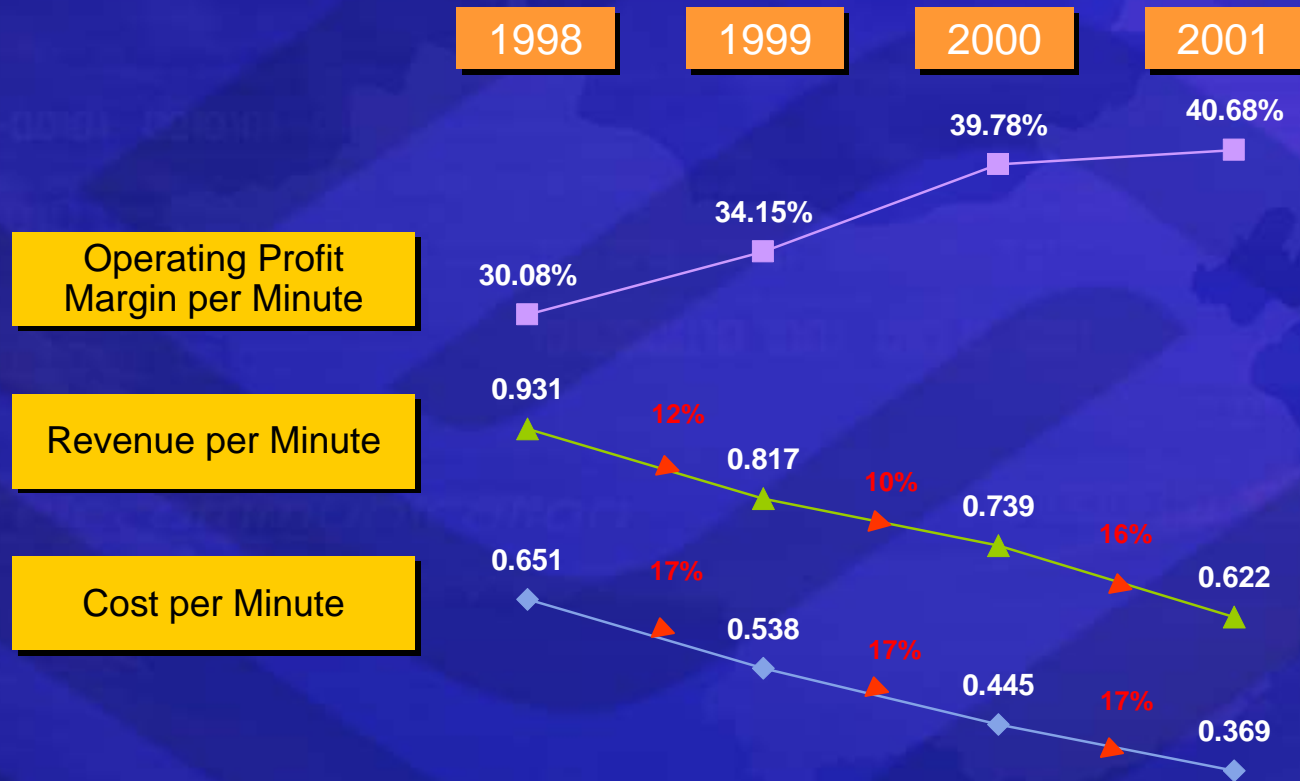
New Businesses Revenue



SMS Usage



Continuously Improving Business Economics

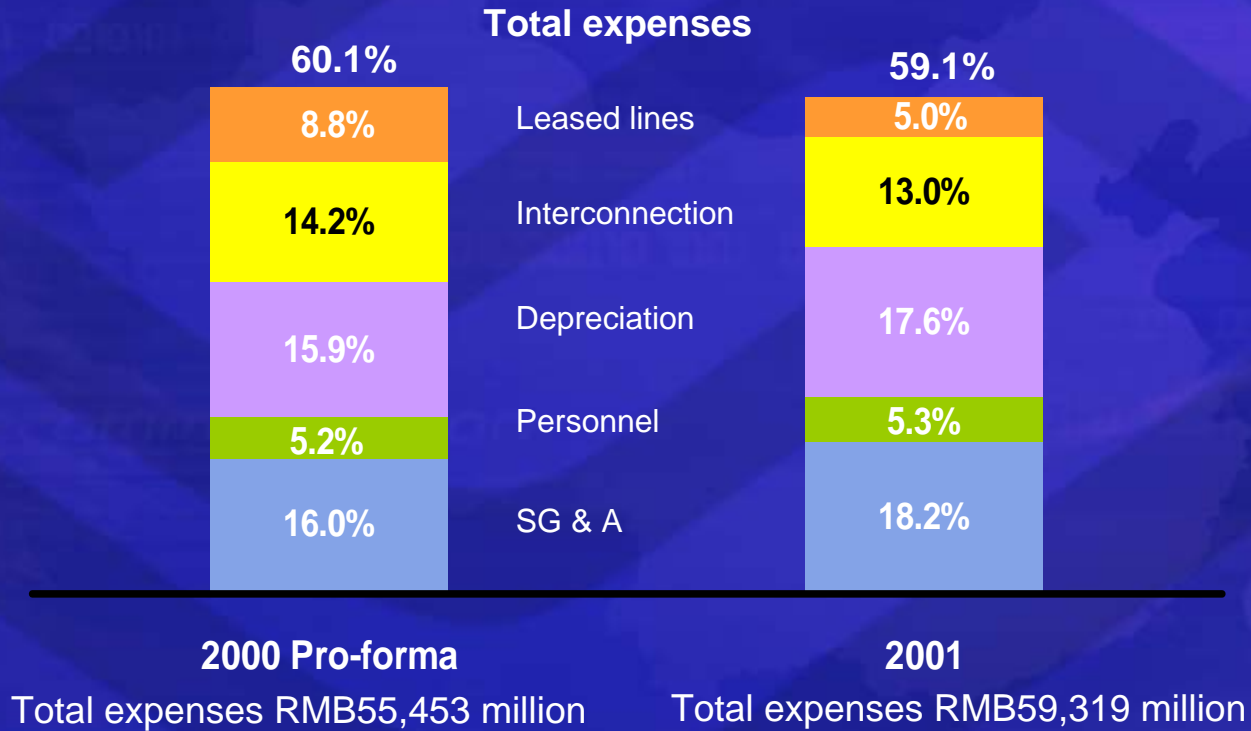


Note: 1998-2000 data is on a pro-forma basis

Effective Cost Control



Expenses as % of Revenue



Solid Capital Structure



	2000.12	2001.12
(RMB million)		
Short Term Debt	13,100	6,897
Long Term Debt	24,369	22,403
Total Debt	37,469	29,300
Shareholders' Equity	83,760	111,779
Total Book Capitalization	121,229	141,079
Total Debt/Total Book Capitalization	30.9%	20.8%
Cash, Bank Balances and Deposits	39,906	36,791
Net Cash Position	2,437	7,491

Overview of the Acquisition

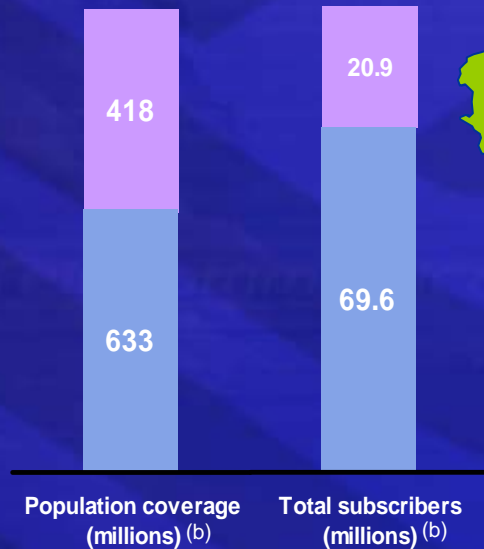
The Acquisition



1 Billion
Population

100 Million
Subscribers^(a)

Successful Execution of
Acquisition Strategy



Note: (a) Subscribers in 21 regions combined exceed 100 million as of April 20, 2002
 (b) 2001 year-end data

Key Elements of the Acquisition



Acquisition Consideration

- Equity consideration of US\$8.57 billion, assumed net debt of US\$1.63 billion
 - Initial Payment:
 - US\$3.15 billion in cash
 - US\$2.62 billion as new shares to the seller
 - Deferred Payment: - US\$2.80 billion as loan from the seller

Initial Payment

Total initial payment: US\$5.77 billion

Cash Consideration:

- US\$2.40 billion cash from CMHK's existing resources
- US\$750 million strategic share placement to Vodafone

Share Consideration:

- US\$2.62 billion to the seller

Deferred Payment

Total deferred payment: US\$2.80 billion

- 15 – year subordinated loan with prepayment option (no penalty)
- Interest rate: 2 – year USD LIBOR swap rate
- Fixed exchange rates
- Flexible payment currency choices

Attractive Valuation



2002E EBITDA: US\$1,945 million

2002E Net Profit: US\$677 million

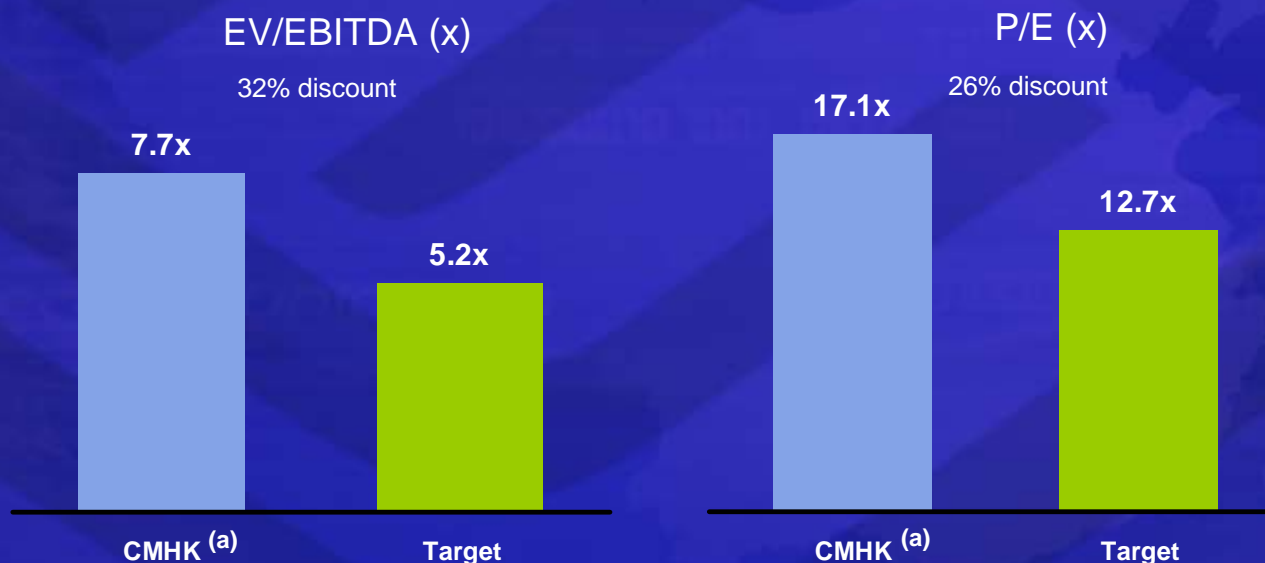
2002E Subscribers ('000): 28,648

2002E EV / EBITDA: 5.2x

2002E P/E: 12.7x

2002E EV / Subscriber: US\$356

Discount to Current CMHK Multiples



Note: (a) Based on CMHK's per share price of HK\$26.0, which is the closing price of May 15, 2002
CMHK's 2002 EBITDA and net profit are based on IBES forecasts, for illustration only

Earnings Accretion

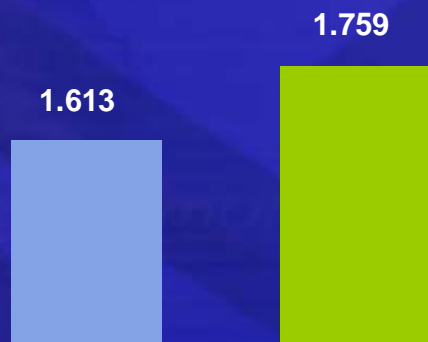


We expect the Acquisition to be EPS accretive for 2002 and further enhance future earnings growth

Pre-Goodwill Amortization^(a)

(RMB)

9.0% Accretion

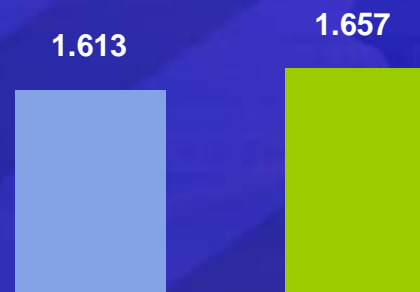


CMHK Standalone 2002 EPS^(b) CMHK Proforma 2002 EPS

Post-Goodwill Amortization^(a)

(RMB)

2.7% Accretion



CMHK Standalone 2002 EPS^(b) CMHK Proforma 2002 EPS

Note: (a) Calculated on the following assumptions:

- 2002 EPS of RMB1.613 is based on IBES mean estimate of HK\$1.520 and HK\$ to RMB exchange rate of 1.0612
- Interest rate of 1% on average cash and bank deposits
- 2-year LIBOR USD swap rate of 3.801% for deferred consideration
- Effective tax rate of 33% to derive tax savings on the forgone interest income

(b) For illustration only, does not reflect CMHK's guidance on its 2002 earnings

The Targets: Key Operating Statistics



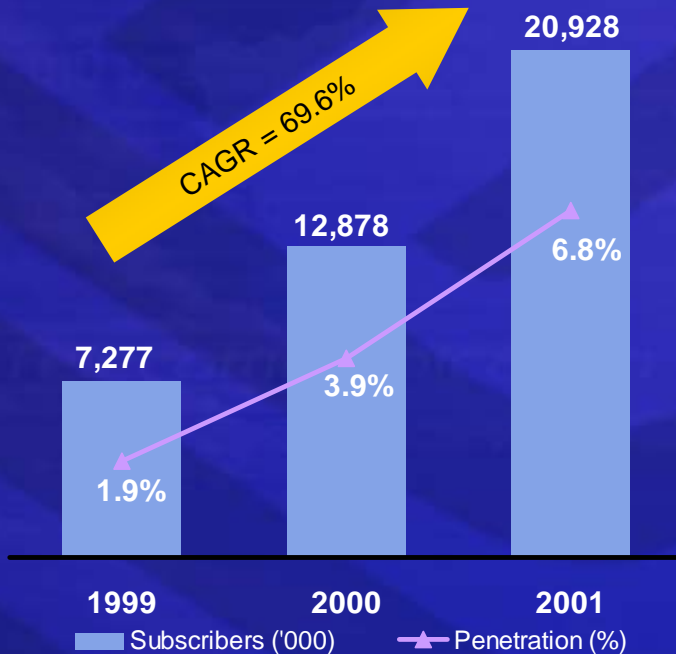
	Dec 31, 2000	Dec 31, 2001
Population (million)	413	418
Cellular Penetration (%)	3.9	6.8
China Mobile Cellular Subscribers (million)	12.9	20.9
Contract	9.6	12.8
Prepaid	3.3	8.1
Market Share (%)	80.8	73.9
MOU (minutes)	284	235
Contract	307	308
Prepaid	108	101
ARPU (RMB)	185	129
Contract	198	160
Prepaid	83	71
Churn (%) (annual) ^(a)	7.0	7.7

Note: (a) Annual churn does not include subscribers switching between the Target's own networks

The Targets: Significant Business Growth



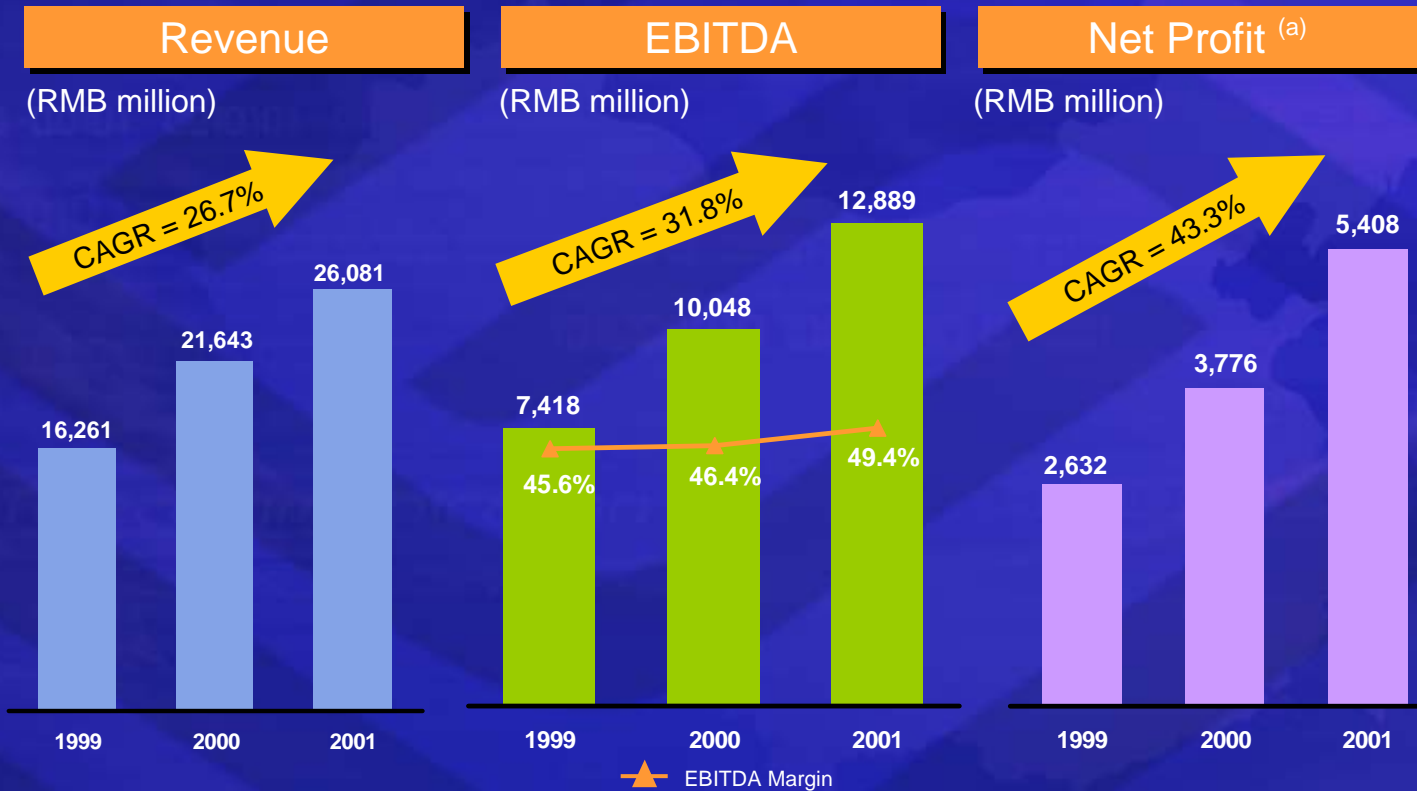
Subscriber Growth



Traffic Growth

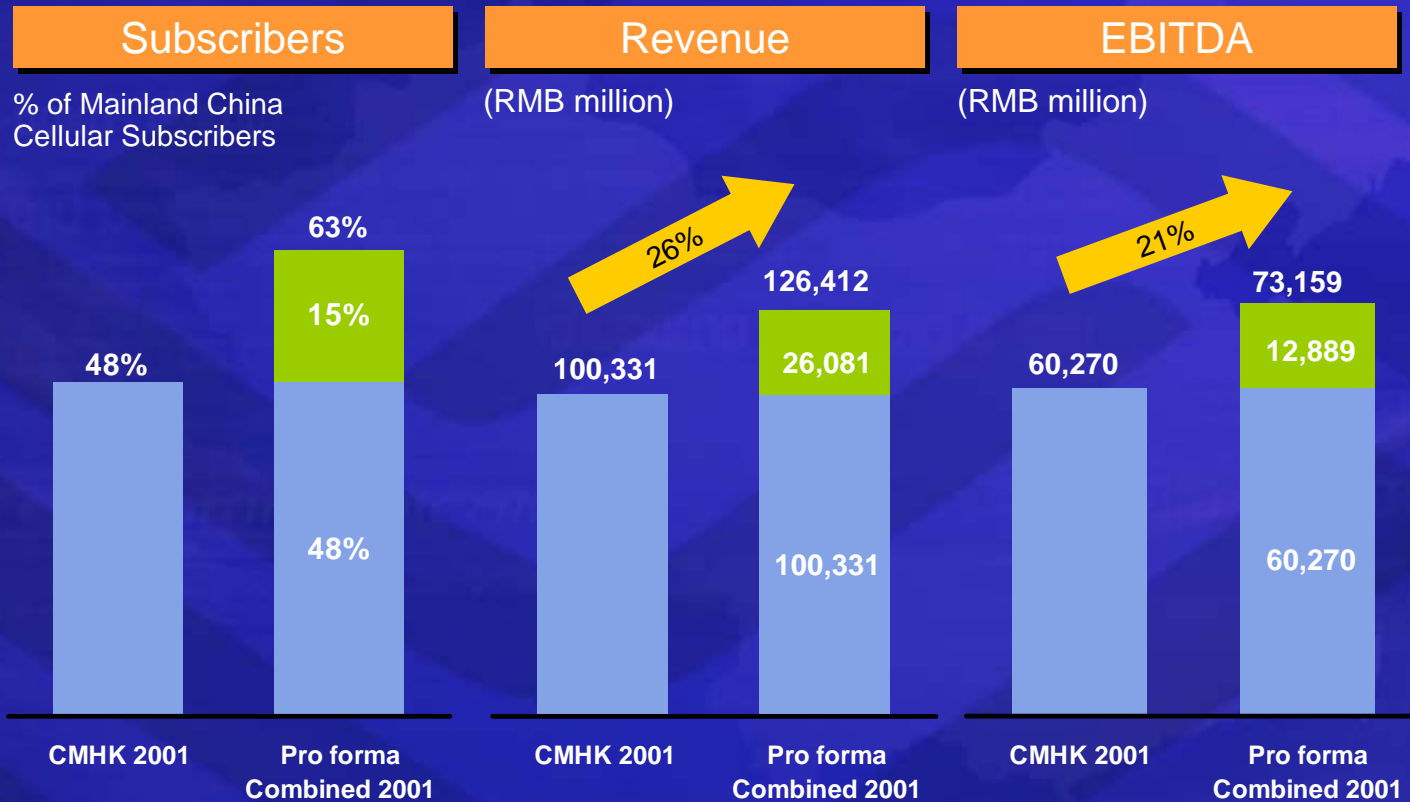


The Targets: Strong Financial Performance



Note: (a) Net profit before the effect of revaluation of assets and write-off of network equipment.

Further Strengthened Market Leadership Position

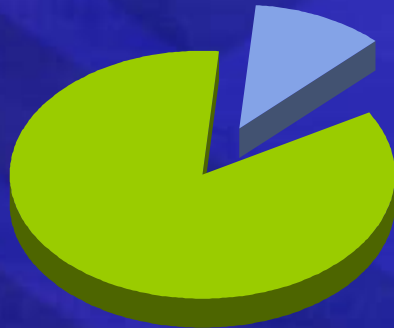


Enhanced Growth Prospects



Covered Population and Penetration

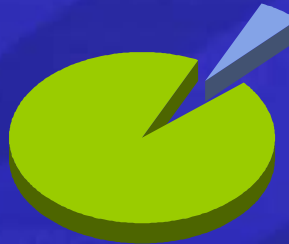
CMHK now



■ CMHK subscribers

Covered Pop 633mm
Penetration 15.2%
Cellular users 96mm

Targets



■ Non-cellular users

Covered Pop 418mm
Penetration 6.8%
Cellular users 28mm

Combined Group



Covered Pop 1,051mm
Penetration 11.9%
Cellular users 124mm

Note: All data as of Dec 31, 2001

Capturing the Growth Opportunity

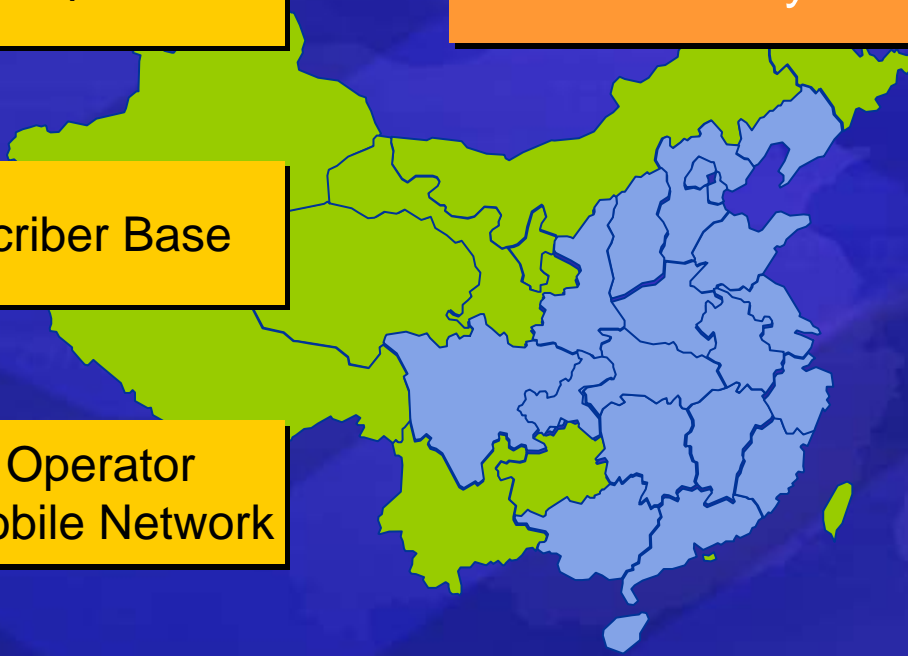


1 Billion Covered Population

Fast-Growing Economy

100 Million Subscriber Base

World's Largest Operator of a Contiguous Mobile Network



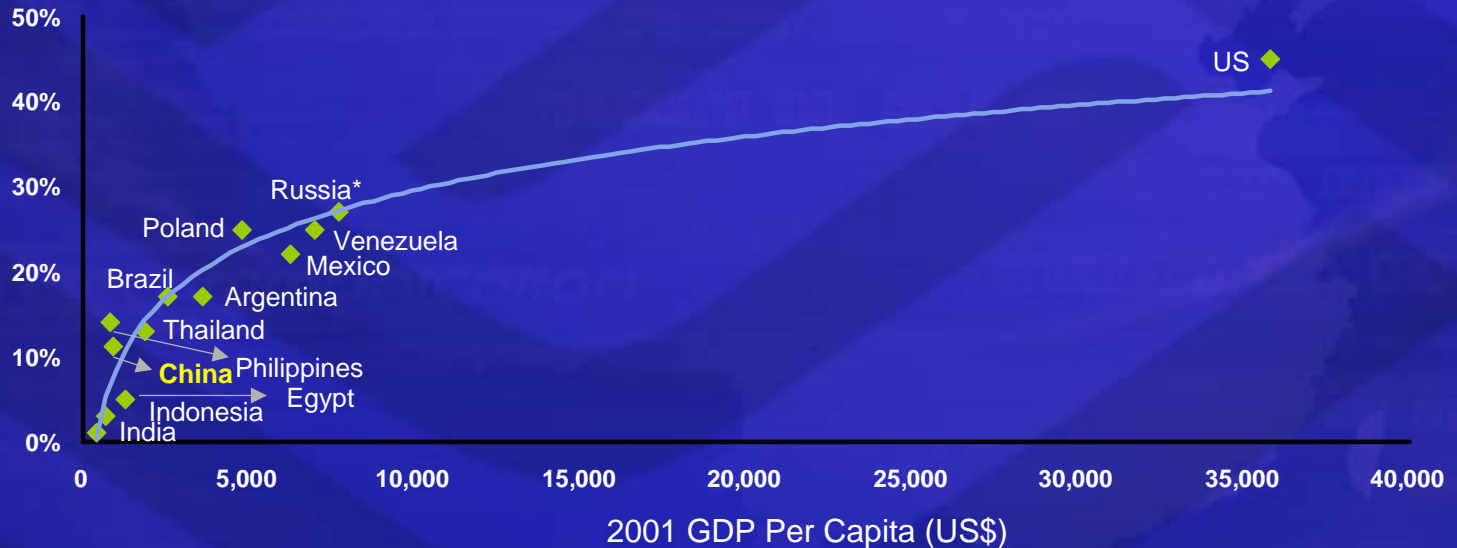
Future Outlook

Significant Market Potential



The Chinese economy is one of the fastest growing economies in the world. With the continued rise in disposable incomes, China's mobile penetration rate will continue its rapid increase

2001 Mobile Penetration



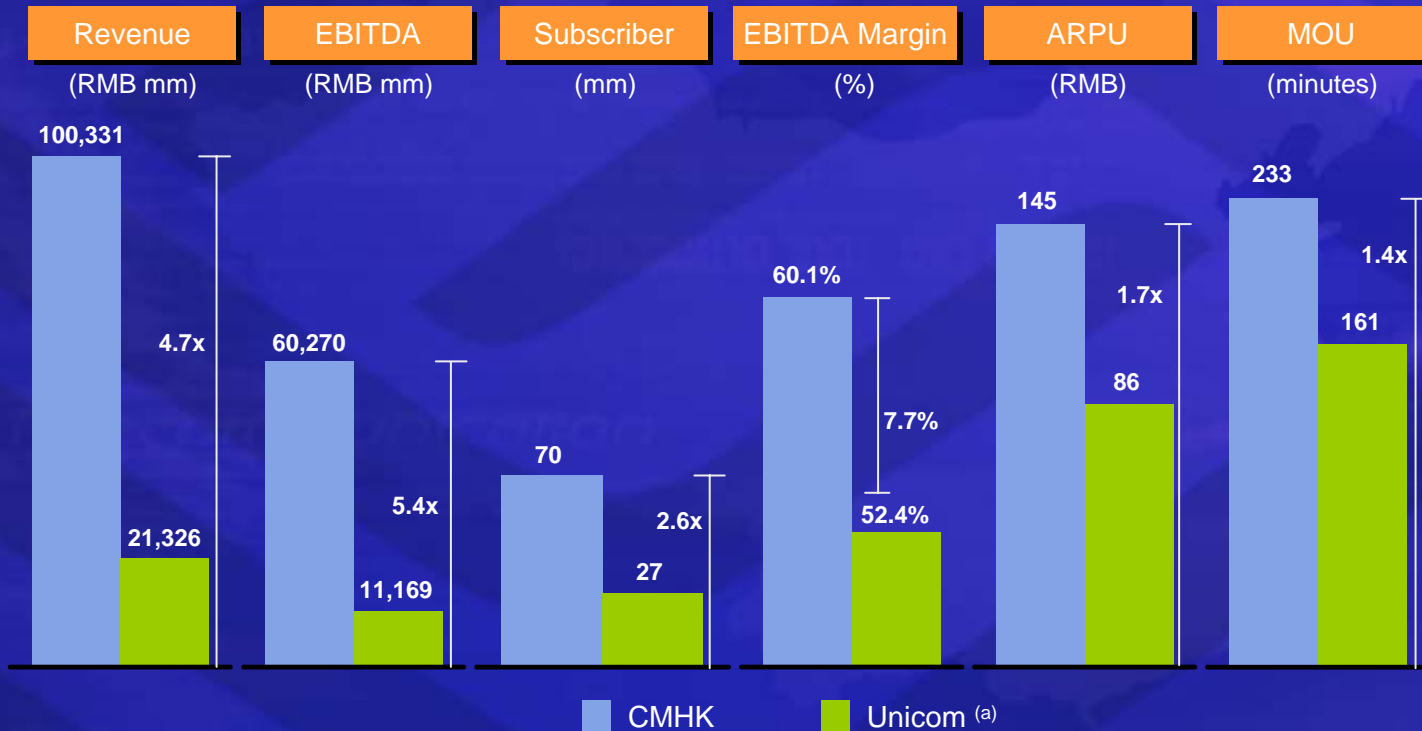
Source: Penetration Rate from ITU, GDP/Capita from World Bank

* Moscow only

Outpacing the Competition

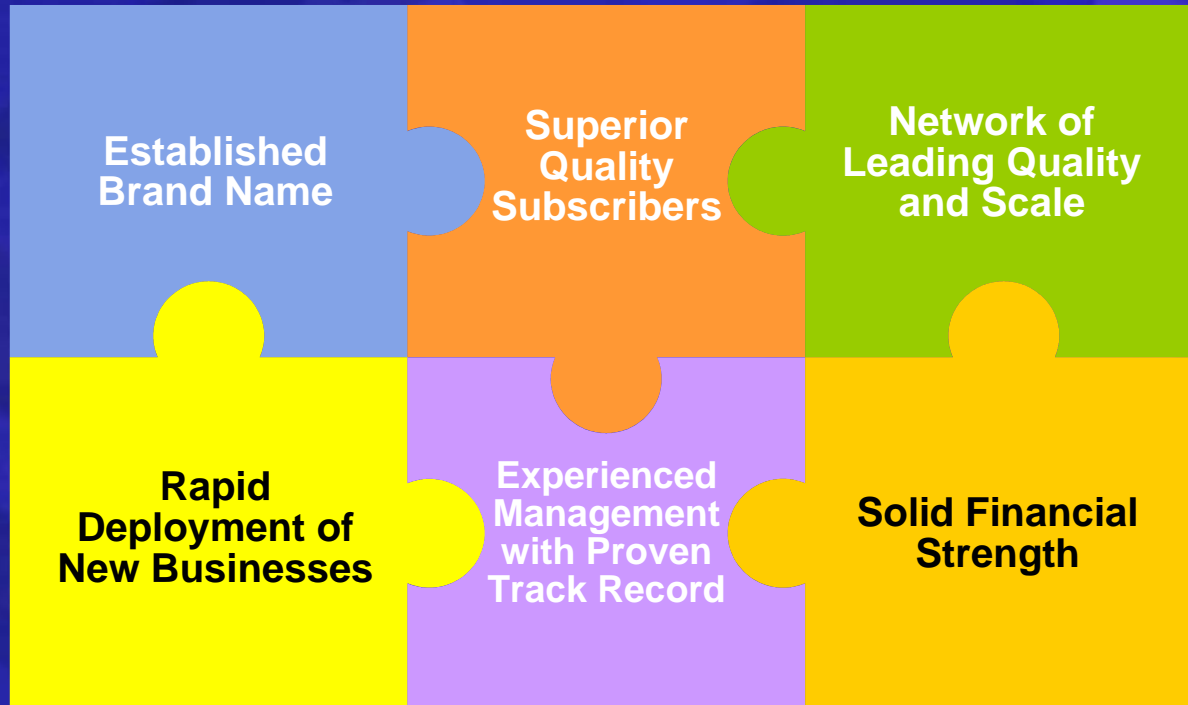


2001 Key Financial Data



Note: All data from 2001 year end company reports
(a) Unicom data from cellular business only

Continued Leadership Position



Post-Acquisition Value Creation

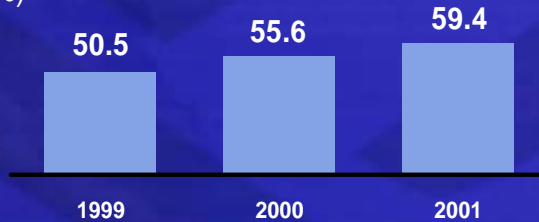
– Last acquisition (7 Subsidiaries)



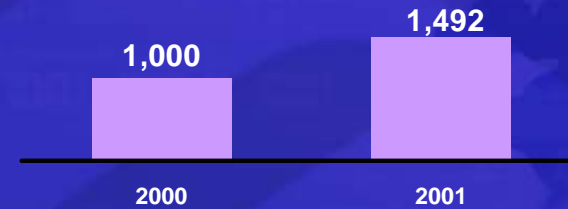
Our track record for integrating acquired businesses demonstrates our ability to realize potential and enhance value

EBITDA Margin

(%)

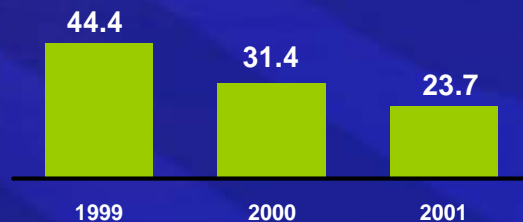


Subscriber per Employee



SG&A per Subscriber per Month

(RMB)



Bad Debt Ratio

(%)



Dividend Policy



- The company will commence an appropriate dividend payment for the financial year ending 31 December 2002, barring unforeseen circumstances
- Specific amount will be recommended by the Board to the Shareholders depending upon the company's overall operational and cash flow position
- The company will maintain sufficient financial resources to achieve steady business growth and value-enhancing investments

Promising Future



**World-class
wireless multi-media
services provider**

**Focus on core competencies
to maintain market leadership**

**Rapid
economic
growth in
China**

**Huge growth
potential of
China's
mobile market**

**Continuous
innovation in
technology
and business**

China Mobile (Hong Kong) Limited

2002