



CHINA MOBILE (HONG KONG) LIMITED

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

ANNOUNCEMENT

In accordance with the Company's disclosure policy and to further enhance the transparency of the Group and timely provide additional information with which shareholders, investors and the general public may better appraise the business and financial position of the Group, the Board announces certain selected unaudited key performance indicators of the Group for the first quarter of 2003.

In accordance with the Company's disclosure policy and to further enhance the transparency of the Group and timely provide additional information with which shareholders, investors and the general public may better appraise the business and financial position of the Group, the board of directors (the "Board") of China Mobile (Hong Kong) Limited (the "Company", together with its subsidiaries, the "Group") announces certain selected unaudited key performance indicators data of the Group for the first quarter of 2003.

SELECTED UNAUDITED KEY PERFORMANCE INDICATORS

Financial Data

	For the period from 1 January 2003 to 31 March 2003 (Totalling 90 days)	For the period from 1 January 2002 to 31 March 2002 Pro-forma combined* (Totalling 90 days)	Increase
Total Revenue (RMB)	37.650 billion (equivalent to approximately HK\$35.519 billion)	34.205 billion (equivalent to approximately HK\$32.269 billion)	10.1%
EBITDA (RMB)	22.395 billion (equivalent to approximately HK\$21.127 billion)	20.278 billion (equivalent to approximately HK\$19.130 billion)	10.4%
EBITDA margin	59.5%	59.3%	
Net Profit (RMB)	8.975 billion (equivalent to approximately HK\$8.467 billion)	8.178 billion (equivalent to approximately HK\$7.715 billion)	9.7%
Net Profit margin	23.8%	23.9%	

* The pro-forma combined financial data have been prepared as if the current structure of the Group (including 21 mobile communications operating subsidiaries) had been in existence during the first quarter of 2002.

Operational data

	As at 31 March 2003/ For the period from 1 January 2003 to 31 March 2003 (Totalling 90 days)	As at 31 December 2002/ For the period from 1 October 2002 to 31 December 2002 (Totalling 92 days)	As at 30 September 2002/For the period from 1 July 2002 to 30 September 2002 (Totalling 92 days)
Number of Subscribers	123.81 million	117.68 million	111.45 million
Net increase in subscriber for the relevant reporting period	6.13 million	6.23 million	6.00 million
Average Revenue per User per Month (ARPU) during the relevant reporting period (RMB/User/Month)	105 (equivalent to approximately HK\$99)	106 (equivalent to approximately HK\$100)	112 (equivalent to approximately HK\$106)
Total Usage for the relevant reporting period (Minutes)	74.583 billion	70.695 billion	67.906 billion
Average Usage per User per Month (MOU) during the relevant reporting period (Minutes/User/Month)	209	204	207
Average Revenue per Minute during the relevant reporting period (RMB)	0.505	0.519	0.541
Number of Users of Mobile Data Services	64.38 million	57.73 million	52.49 million
Short Message Services Usage Volume for the relevant reporting period (Messages)	17.45 billion	13.30 billion	10.42 billion
Network Capacity (Users)	148 million	141 million	137 million
Network Utilisation Rate	83.7%	83.2%	81.5%
Number of Employees	60,138	59,633	59,307
Labour Productivity (Subscribers/Employee)	2,059	1,973	1,879

During the first quarter of 2003, the Group continued to adopt rational and effective competitive strategies emphasising customer value. Guided by user consumption patterns, the Group segmented its customer base to address the needs of different categories of customers. It launched personalised products and premium quality services to establish and promote its brands, enhance customer loyalty, and to proactively retain and grow its base of existing and potential high-value customers.

The business of the Group continued its favourable growth during the first quarter of 2003. As at 31 March 2003, the Group's subscriber reached 123.81 million, representing a net increase of 6.13 million subscribers in 3 months from the subscriber base as at 31 December 2002.

In response to increasing competition and to enhance the loyalty of subscribers, the Group augmented its promotion of certain loyalty measures to some of its subscribers (especially high-value customers) in the first quarter of 2003. Besides, as most new subscribers are low-usage subscribers, the Group's ARPU and average revenue per minute during the first quarter of this year continued to decline. Nonetheless, the rate of such decline has moderated noticeably as compared to the fourth quarter of the previous year. The ARPU for the first quarter of 2003 was RMB105, representing a decrease of RMB1 from RMB106 for the fourth quarter of 2002. The decline in the average revenue per minute led to an increase in MOU benefiting from the effect of price elasticity, which together with the robust subscriber growth, had contributed to favorable growth of total usage and total revenue. The Group's short message services usage volume continued to grow rapidly during the first quarter of 2003, indicating the enormous development potential for the Group's mobile data business.

With robust business growth, effective cost controls and the further realisation of the benefits of economies of scale, the Group achieved sustained favourable growth in its revenue, EBITDA and net profit during the first quarter of 2003, recording an increase of 10.1%, 10.4% and 9.7% respectively compared to the pro-forma combined figures for the same period in 2002. The average revenue per day, EBITDA per day and net profit per day also increased by 4.9%, 3.3% and 2.5% respectively compared to the fourth quarter of 2002. EBITDA margin was sustained at a high level of 59.5% during the first quarter of 2003.

Despite increasing market competition, the Group will continue to adopt rational and effective competitive strategies. The Group will specifically strengthen its business development strategy in response to market changes. The Group will also aim to maintain its fundamentals and consolidate its leading market position through market segmentation and product differentiation, brand building and brand value enhancement, leveraging its leading position in new businesses, as well as further enhancing network quality. The Group will leverage its pioneering and leading market position in China's mobile telecommunications market, and capitalise on the economies of scale and cost benefits derived from the world's largest subscriber base and single integrated premium network. The Group will focus exclusively on the business of mobile telecommunications to continue to enhance customer satisfaction and nurture new revenue drivers, with a view to generating value for customers and shareholders.

The Board wishes to remind investors that the above key performance indicators are based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such data.

In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.

For your convenience, this announcement contains translation between Renminbi amounts and Hong Kong dollars at RMB1.06 = HK\$1.00. The translations are not representations that the Renminbi and Hong Kong dollar amounts could actually be converted at this rate, or at all.

By Order of the Board
China Mobile (Hong Kong) Limited
Wang Xiaochu
Chairman and Chief Executive Officer