



中国移动通信
CHINA MOBILE

CHINA MOBILE (HONG KONG) LIMITED

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

(Hong Kong Stock Code: 941)

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 2004.

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 of the Group for the first quarter of 2004.

SELECTED UNAUDITED KEY PERFORMANCE INDICATORS

Financial Data

	For the period from 1 January 2004 to 31 March 2004	For the period from 1 January 2003 to 31 March 2003	Increase
Operating Revenue (RMB)	42.143 billion (equivalent to approximately HK\$39.758 billion)	37.650 billion (equivalent to approximately HK\$35.519 billion)	11.9%
EBITDA (RMB)	24.286 billion (equivalent to approximately HK\$22.911 billion)	22.395 billion (equivalent to approximately HK\$21.127 billion)	8.4%
EBITDA margin	57.6%	59.5%	
Net profit (RMB)	9.389 billion (equivalent to approximately HK\$8.858 billion)	8.975 billion (equivalent to approximately HK\$8.467 billion)	4.6%
Net Profit margin	22.3%	23.8%	

Operational Data

	As at 31 March 2004/ For the period from 1 January 2004 to 31 March 2004	As at 31 December 2003/ For the period from 1 October 2003 to 31 December 2003	As at 30 September 2003/ For the period from 1 July 2003 to 30 September 2003
Number of Subscribers	150.26 million	141.62 million	135.00 million
Net increase in subscribers for the relevant reporting period	8.64 million	6.62 million	5.91 million
Average Revenue per User per Month (ARPU) during the relevant reporting period (RMB/User/Month)	97	100	101
Total Usage for the relevant reporting period (Minutes)	119.53 billion	113.07 billion	98.28 billion
Average Usage per User per Month (MOU) during the relevant reporting period (Minutes/User/Month)	275	270	246
Average Revenue per Minute of Usage during the relevant reporting period (RMB)	0.353	0.369	0.409
Number of Users of Mobile Data Services	110.68 million	100.64 million	91.78 million
Short Message Services Usage Volume for the relevant reporting period (Messages)	32.4 billion	27.7 billion	25.1 billion
Network Capacity (Users)	176 million	172 million	152 million
Network Utilization Rate	85.4%	82.3%	88.7%
Number of Employees	64,324	63,859	63,359
Labour Productivity (Subscribers/Employee)	2,336	2,218	2,131

During the first quarter of 2004, the Group continued to fully leverage its advantages of scale, integrated its brands and enhanced its customer service, rolled out marketing plans, such as tariff packages and point accumulation reward programs that suit the needs and consumption characteristics of different customer segments, and aggressively promoted voice usage volume, in order to enhance customer loyalty and increase business revenue, and to develop new businesses. Because the new adds market is characteristically comprised of low-usage, low ARPU users, the Group increased its efforts in promoting the "Shenzhouxing" sub-brand regional services with a view to better satisfying the needs of new users, further expanded the Company's user base, further consolidated the Company's position as the market leader and realize economies of scale. As at 31 March 2004, the Group's subscribers reached 150.26 million, representing a net increase of 8.64 million subscribers in three months from the subscriber base as at 31 December 2003. Total usage and operating revenue also recorded sustained and favourable growth as a result of the robust growth in subscriber base and the flexible and effective marketing plans that stimulated increased voice usage volume. During the period, the decline in average revenue per minute of usage has been relatively better controlled.

Owing to the rapid increase in subscriber base, which was primarily comprised of low-usage, low ARPU customers, including in particular the subscribers of the "Shenzhouxing" sub-brand, the Group's ARPU for the first quarter of 2004 continued to decline. However, these new subscribers, with their lower usage volume and correspondingly lower operating costs to the Group, have made a positive contribution to the growth of the Group's operating revenue and net profit. In the first quarter of 2004, the Group's Short Message Service continued to record rapid growth in usage volume, demonstrating the enormous development potential of the Group's mobile data businesses.

The Group's strong business growth, effective cost control and the further realization of economies of scale led to the continued favourable growth of operating revenue, EBITDA and net profit, which grew by 11.9%, 8.4% and 4.6%, respectively in the first quarter of 2004 when compared to the same period in 2003. EBITDA margin was 57.6% in the first quarter 2004. Although this is slightly lower than the figure of 58.2% recorded for the full financial year 2003, it showed marked improvement when compared to the figure of 55.8% for the fourth quarter of 2003. During this period, net profit margin was 22.3%, which was substantially the same as the figure of 22.4% recorded for the full financial year 2003.

In light of ever-increasing competitive pressures, the Group will continue to fully leverage its leading position in Mainland China's mobile telecommunications industry and its economies of scale. The Group will further integrate its brands, catering to different target customer segments, and aggressively develop mobile data and other new businesses. The Group will unwaveringly pursue business and service innovation, focusing on its mobile telecommunications business. The Group will strive to consolidate its leading market position and maintain its sound fundamentals and sustainable development, with a view to generating greater value for its 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.

As at the date of this announcement, the Board of Directors of the Company is comprised of Mr. Wang Xiaochu, Mr. Li Yue, Mr. Lu Xiangdong, Mr. Xue Taohai, Mr. He Ning, Mr. Li Gang 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 Mr. Zhang Ligui and Dr. J. Brian Clark as non-executive directors.

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