

**China Mobile (Hong Kong) Limited Announced its 2003 Interim Results  
The Company Achieved Sustained Steady Business Growth and  
Favorable Financial Results  
Maintaining its Position as the Market Leader amid Intensified Competition**

- The Group implemented effective competitive strategies, thereby maintaining its position as the market leader and achieving favorable financial results and steady growth in operating revenue.
- The Group successfully carried out brand enhancement initiatives and launched its widely-acclaimed "M-Zone" services. Both new businesses and data businesses developed rapidly.
- Subscriber base reached 129.1 million while total usage reached 161.9 billion minutes.
- Operating revenue reached RMB76.7billion, representing an increase of 39 per cent. compared to the prior year period.
- EBITDA reached RMB45.2billion, representing an increase of 35 per cent. compared to the prior year period.
- Net profit reached RMB17.5billion, representing an increase of 13 per cent. compared to the prior year period.

China Mobile (Hong Kong) Limited ("CMHK" or the "Company", together with its subsidiaries, the "Group") (NYSE: CHL) (HKEx: 941) announced its interim results for 2003 today.

While intensified competition in Mainland China's telecommunications market and the sudden outbreak of Severe Acute Respiratory Syndrome, or SARS, in certain regions of China appreciably affected CMHK's operations during the first half of 2003, the Company maintained its position as the market leader in Mainland China's mobile telecommunications industry. The Company unwaveringly pursued development strategies that focused on its core mobile telecommunications business, proactively leveraging its advantages in all respects and adopting effective competitive strategies to maintain its sound fundamentals, enhance overall competitiveness and sustain business growth, thereby achieving favorable financial results and preserving its solid capital structure.

The Group obtained satisfactory financial results. For the six months ended 30 June 2003, the Group's operating revenue reached RMB76.7billion, representing an increase of 39 per cent. over the same period in year 2002. EBITDA reached RMB45.2billion, representing an increase of 35 per cent. over the same period last year. EBITDA margin was maintained at a relatively high level of 59.0 per cent. Net profit reached RMB17.5billion, representing an increase of 13 per cent. from the same period in year 2002, and the Group's earnings per share was RMB0.89, representing an increase of 7 per cent. compared with the same period in the prior year.

For ease of comparison, on the assumption that the existing corporate structure of the Group with 21 operating

subsidiaries was in place since 1 January 2002, the Group's operating revenue for the first half of 2003 increased by 9 per cent. compared to the pro-forma combined figure over the same period in year 2002. EBITDA increased by 9 per cent. compared to the pro-forma combined figure over the same period last year. Net profit increased by 3.5 per cent. compared to the pro-forma combined figure from the same period in year 2002. The Group wishes to highlight that new businesses, principally its Short Message Service ("SMS"), continued to maintain its remarkable growth trend and has become a key driver of the Group's overall revenue growth. In the first six months of 2003, revenue from new businesses reached RMB6.392billion, representing an increase of 86 per cent. compared to the pro-forma combined figure over the same period in year 2002. Revenue from new businesses accounted for 8.3 per cent. of the Group's total operating revenue, representing an increase of 3.4 percentage points compared to that of the same period last year, reflecting significant potential for future development.

Taking its cues from the market, CMHK adopted rational and effective competitive strategies, fully leveraged its network capacity and launched special promotional packages tied to usage volume during the last six months. Increasing customer satisfaction while maintaining the steady growth in subscriber base and usage volume, the Company benefited from price elasticity such that, notwithstanding the decline in revenue per minute, ARPU remained relatively stable and operating revenue recorded steady growth. As a result, the Company was able to maintain its leading position, notwithstanding intensified competition in Mainland China's telecommunications market. The total subscriber base of CMHK's 21 subsidiaries in Mainland China reached 129.1 million as at 30 June 2003, representing a net increase of 11.41 million compared to that as at the end of 2002; total usage reached 161.9 billion minutes, representing an increase of 33 per cent. compared to the pro-forma combined figure over the same period last year. While continuing to promote the exclusive "GoTone" brand, the Group successfully carried out brand enhancement initiatives and launched its "M-Zone" services to address the needs of the trendy youth market, which were well-received and achieved a subscriber base of approximately 5.47 million as at the end of June 2003. At the same time, usage of the Group's SMS reached 40.7 billion messages and users of the Group's mobile data businesses reached 83.05 million. The rapid development of the mobile data businesses further consolidated the Group's leading position.

CMHK holds in highest regard the interests of its shareholders and the returns achieved for them, especially the minority shareholders. Having taken into account various relevant factors, including the Company's sustained sound fundamentals, the Board has resolved to pay the Company's first ever interim dividend, in the amount of HK\$0.16 per share, for the year 2003, representing half of the dividend paid for the full year of 2002. The full year's dividends for the 2003 financial year will be determined by the Board following a review of the Company's full-year annual results and will take into accounts such factors as future business development, asset acquisitions and the financial and cash flow position of the Company. The Board considers that the Company's strong free cash flow is capable of supporting the investments required to maintain the stable growth of the Company while also providing shareholders with a favorable cash return. The Company will endeavour to achieve a sustainable and steadily increasing dividend in the long run, with a view to generating the best possible return for shareholders.

Looking ahead, Mainland China's macro-economic development is expected to maintain steady growth, thereby providing favorable opportunities for CMHK's future development. Nonetheless, both the expansion of the Xiaolingtong service areas across Mainland China and the encroaching expansion of the CDMA network present serious challenges to CMHK's development. Chairman Wang Xiaochu indicated that the future competitive environment will be increasingly intense, with growing competitive pressures. CMHK will maintain and further leverage its competitive advantages in all respects and will pursue, on a consistent basis, the

complementary development strategies of organic and external growth while focusing on its core mobile telecommunications business, consolidate its leading market position and maintain sustainable development, in order to generate greater value for our shareholders.

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#### Forward-looking Statements

Certain statements contained in this press release may be viewed as **forward-looking statements** within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of China Mobile (Hong Kong) Limited (the "Company") to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") and in the Company's other filings with the SEC.

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**BACK**

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