

**China Mobile (Hong Kong) Limited Announced its 2004 Interim Results  
The Company Completed the Acquisition of Ten Mobile Telecommunications Companies,  
Pursued Rational Competitive Strategies, Achieved Favourable Operational Performance and  
Further Secured its Position as the Industry and Market Leader**

- The Group achieved favourable operational performance. Total subscribers reached 158.6 million. Operating revenue reached RMB 86,420 million, representing an increase of 12.7 per cent. over the same period in the 2003 financial year. EBITDA reached RMB 49,339 million, representing an increase of 9.2 per cent. over the same period last year. Net profit reached RMB 18,828 million, representing an increase of 7.8 per cent. from the same period in 2003. Earnings per share was RMB 0.96, representing an increase of 7.8 per cent. compared with the same period in the prior year.
- The Group successfully completed its acquisition of the mobile telecommunications companies in nine provinces and an autonomous region in Mainland China. Through restructuring and management reform, the newly acquired companies' various performance indicators improved significantly, with a subscriber base of 26.83 million, operating revenue, EBITDA and net profit increased by 14.5 per cent., 22.9 per cent. and 50.9 per cent., respectively, over the same period last year.
- The Group announced an interim dividend payout of HK\$0.20 per share, representing an increase of 25 per cent. over the same period for the year 2003.

China Mobile (Hong Kong) Limited ("CMHK" or the "Company", together with its subsidiaries, the "Group") (NYSE: CHL) (HKEx: 941) announced its interim results for 2004 today.

In the first half of 2004, by leveraging its network, scale and brand advantages, refining its management methods and adopting effective marketing strategies, CMHK made encouraging progress developing its business and further consolidated its financial position, thereby further securing its position as the industry leader in Mainland China's mobile telecommunications industry. Concurrently, the Company successfully completed its acquisition of the mobile telecommunications companies in nine provinces and an autonomous region, and other telecommunications assets, in Mainland China, thereby becoming the first overseas-listed PRC telecommunications company operating in all thirty-one provinces, autonomous regions and municipalities in Mainland China.

During the first half of 2004, the Group adopted rational strategies to respond to competition in the Chinese telecommunications market, which lead to sustained favourable subscriber growth, effectively boosted voice usage through the leveraging of price elasticity and the proactive development of new businesses, thereby achieving stable average revenue per user per month (ARPU) and favourable operational performance. As at 30 June 2004,

the Group's mobile subscriber base reached 158.6 million, representing a net increase of 17.02 million subscribers when compared to that as at the end of 2003. The Group's new businesses have shown an encouraging growth trend, with "Short Message Service", or "SMS", maintaining stable growth, and other new businesses, such as "Color Ring" and WAP, recording impressive growth. Total revenue from new businesses reached RMB 11,105 million, representing 12.9 per cent. of the total operating revenue of the Group as at 30 June 2004, and has significantly contributed to total revenue.

The Company 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 corporate fundamentals, the Board has resolved to pay an interim dividend, in the amount of HK\$0.20 per share, for the year 2004, representing an increase of 25 per cent. over the interim dividend for the year 2003. The full year's dividends for the 2004 financial year will be determined by the Board following a review of the Company's full-year annual results and will take into consideration such factors as future business development 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 favourable cash return. The Company will continue its efforts to achieve a sustainable and steadily increasing dividend over the longer term, with a view to generating the best possible return for shareholders.

On 1 July 2004, the Company successfully completed its acquisition of the mobile telecommunications companies in Inner Mongolia and nine other provinces, and other telecommunications assets, in Mainland China. The acquisition involved the restructuring and management reform of the target companies so as to accelerate the integration of these newly acquired companies into the Group and improve the Group's overall profitability. Following the completion of the acquisition, the newly acquired mobile telecommunications companies' various performance indicators improved significantly, with operating revenue, EBITDA and net profit reaching RMB 11,729 million, RMB 5,829 million and RMB 1,587 million, respectively, representing an increase of 14.5 per cent., 22.9 per cent. and 50.9 per cent., respectively, over the same period last year. These financial results reflect a confluence of strategic synergies.

The Company's outstanding performance has been widely recognized. In the first half of 2004, as in past periods, the Company received a number of prestigious and important awards, including being selected by the Financial Times as one of the "Global 500 Largest Companies", ranking number 67 therein; being selected, for the first time, by Business Week as one of its "Global 1,000 Most Valuable Companies", ranking the highest among the Chinese companies appearing in that list; and being once again selected by Business Week as one of its "Info Tech 100" companies. During the first half of 2004, Moody's and Standard and Poor's revised the Company's corporate credit rating upward to "A3/Positive Outlook" and "BBB+/Positive Outlook", respectively. These upward ratings revisions may be seen as the capital markets' tacit recognition of the Company's solid financial fundamentals.

As Mr. Wang Xiaochu, CMHK's Chairman, stated, the Company's Management believes that the further implementation of domestic reforms in Mainland China will, over time, result in a more fair and open telecommunications market and a more transparent regulatory environment. In such a market, CMHK will continue to adhere to the principle of "win-win" competition, promoting rational and orderly competition and striving to foster a healthy environment for further industry development. This will better serve the long-term

interests of consumers, companies and investors.

Mr. Wang affirmed, "Following the completion of its recent acquisition, the coverage of the Group's telecommunications network extended to all the provinces in Mainland China and its footprint covered a population of some 1.3 billion. This provides the Group with tremendous marketing potential. Looking ahead, the Group will unswervingly pursue its developmental strategies and consistently focus on its core mobile telecommunications business, and proactively leverage its advantages. The Group will strive to develop in a comprehensive, balanced and sustainable manner, so as to provide an even better return for its shareholders and investors."

- End -

#### 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. SEC and in the Company's other filings with the U.S. SEC.

#### Media Contact:

Mr. Guan Yimin or Ms. Rainie Lei of China Mobile (Hong Kong) Limited  
(Telephone: 852-31218888 Fax: 852-31218809)

**BACK**

Copyright 2006 China Mobile Limited