

Press release

**China Mobile (Hong Kong) Limited Announces 2005 Annual Results  
Achieving healthy and rapid business growth and commendable financial results**

- Consolidated turnover of RMB243.0 billion, up by 26.3%
- Consolidated EBITDA of RMB133.3 billion, up by 24.8%
- Consolidated net profit of RMB53.5 billion, up by 28.3%
- Total subscribers exceeded 246.6 million, up by 20.7%
- Proposed final dividend of HK\$0.57 per share, dividend payout ratio of 39% for 2005

China Mobile (Hong Kong) Limited (referred to below as "China Mobile (Hong Kong)" or the "Company", and together with its subsidiaries, the "Group") (HKEx: 941) (NYSE: CHL) announced its 2005 annual financial results today.

In 2005, China Mobile (Hong Kong) pursued the market-oriented guiding principle, responded to competition rationally, strived to enhance its competitive advantages in terms of its scale of operation, maintained a rapid and healthy growth momentum, consolidated its leading position in Mainland China's mobile telecommunications market and achieved commendable results. In addition, the Company made a general offer in cash to acquire all the issued shares of the Hong Kong-based China Resources Peoples Telephone Company Limited.

The Group achieved commendable financial results in 2005, during which the Group's operating revenue achieved notable growth and reached RMB243,041 million, representing an increase of 26.3 per cent. from previous year. EBITDA reached RMB133,338 million, representing an increase of 24.8 per cent. from previous year. Profit attributable to shareholders reached RMB53,549 million, representing an increase of 28.3 per cent. from previous year. EBITDA margin and net profit margin maintained at a relatively high level, reaching 54.9 per cent. and 22.0 per cent. respectively. Basic earnings per share reached RMB2.71, representing an increase of 27.8 per cent. from previous year.

For ease of comparison, on the assumption that the Group's current structure of holding thirty-one operating subsidiaries has been in place since 1 January 2004, the Group's operating revenue, EBITDA and profit attributable to shareholders achieved in 2005 enjoyed an increase of 19.1 per cent., 18.4 per cent. and 24.7 per cent., respectively over the combined operating revenue, EBITDA and profit attributable to shareholders in respect of the thirty-one provinces, autonomous regions and municipalities of previous year. It is pleasing to note that the Group's revenue attributable to its new businesses continued to grow rapidly, and it amounted to RMB50,187 million. Such revenue accounted for 20.6 per cent. of the Group's operating revenue, representing 5.1

percentage points higher from 15.5 per cent. for previous year on a combined basis, and the contribution of new businesses to the total revenue is increasingly notable.

In 2005, the Group continued to pursue rational and orderly competition and enhance its competitive advantage in terms of market leadership. The driving effect of the remarkable growth in its subscriber base, new businesses and voice usage volume was prominent. These, together with the strong development in data business, the increasingly prominent advantage in terms of brand, the continuous refinement of marketing and sales channels, the sustained improvement in basic customer service, the strengthened quality and capability of our network and the steady enhancement in the levels of operational and managerial support, attributed to the rapid development of the Group's overall business.

China Mobile (Hong Kong) holds in the highest regard the interests of its shareholders and the returns achieved for its shareholders, especially minority shareholders. Having taken into account such factors as the Company's sustainable and favorable fundamental structure, strong free cash flow position and requirements to ensure the sustainable future growth of the Company's business, the Board recommends payment of a final dividend of HK\$0.57 per share for the financial year ended 31 December 2005. This, together with the interim dividend of HK\$0.45 per share already paid during 2005, amounts to an aggregate dividend payment of HK\$1.02 per share for the full financial year, representing an increase of 54.5 per cent. over the annual dividend of HK\$0.66 per share for the full year of 2004. Dividend payout ratio was 39 per cent. At the same time, the dividend payout ratio of the Company for the full year of 2006 is planned to be 42 per cent. The Company is of the view that its strong free cash flow is capable of supporting the investments required to maintain the sustainable and stable growth of the Company, while also providing a favorable cash return to shareholders. The Company will endeavour to achieve a sustainable, steadily increasing dividend over the longer term, with a view to generating the best possible return for shareholders.

Looking to the future, chairman of the Company Mr. Wang Jianzhou pointed out that great potential for development still exists in the mobile telecommunications market in Mainland China. As market competition continues and market regulation increases, competition will become more rational. With the maturing of mainstream Third Generation Mobile Communication (3G) technology and products and the issuing of 3G licences in Mainland China, the Company will face great opportunities and challenges at the same time.

He said, "The Group will leverage its existing advantages and promote the development of economies of scale, encourage innovation, enhance management and service standards, with a view to maintaining the momentum of the Group's continued healthy development and extending its leading competitiveness. The Group will actively monitor policies relating to 3G technologies, utilize its competitive advantages in terms of networks and scale, and make networks, and service and product offerings preparation, in order to lay a solid foundation for the launch of commercial application services of 3G at the appropriate time. The Company will maintain growth in value, with a view to "building a lasting good business", and bringing better returns for its investors."

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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. These factors 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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