

## Other Information

### Directors' Interests in Shares

As at 30 June 2002, the interests of the directors and the chief executive of the Company in the equity securities of the Company or any of its associated corporations as defined in the Securities (Disclosure of Interests) Ordinance (the "Ordinance") as recorded in the register required to be kept under section 29 of the Ordinance were as follows:

Name of Directors	Personal interest
Wang Xiaochu	500 American depositary shares (Note)
Li Zhenqun	100 American depositary shares (Note)
Ding Donghua (resigned on 3 July 2002)	500 American depositary shares (Note)

*Note:* As at 30 June 2002, one American depositary share represents 5 ordinary shares of HK\$0.10 each of the Company.

In addition, certain directors personally hold options to subscribe for ordinary shares of the Company as disclosed under the paragraph "Directors' rights to acquire shares" below. These share options are granted pursuant to the terms of the share option scheme established on 8 October 1997 (the "old share option scheme").

Apart from the foregoing, as at 30 June 2002, none of the directors had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations as defined in the Ordinance.



## Other Information (Continued)

### Directors' Rights to Acquire Shares

On 24 June 2002, the Company adopted a new share option scheme, which is in compliance with the new Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). On the same day, the old share option scheme was terminated. During the six months ended 30 June 2002, no share options have been granted under the new share option scheme.

During the six months ended 30 June 2002, the directors and employees of the Company had the following personal interests in options to subscribe for shares of the Company granted under the old share option scheme.

	No. of shares involved in the options outstanding at the beginning of the period	No. of shares involved in the options outstanding at period end	Date on which options were granted	Normal period during which options are exercisable	No. of shares involved in the options cancelled during the period	No. of shares acquired on exercise of options during the period	Price per share to be paid on exercise of options HK\$	Closing price per share immediately before the date of exercise of options HK\$
<b>Directors</b>								
Wang Xiaochu	1,950,000	1,950,000	26 November 1999	26 November 1999 to 7 October 2007	—	—	33.91	—
	1,950,000	1,950,000	26 November 1999	26 November 2002 to 7 October 2007	—	—	33.91	—
	100,000	100,000	25 April 2000	25 April 2002 to 7 October 2007	—	—	45.04	—
	100,000	100,000	25 April 2000	25 April 2005 to 7 October 2007	—	—	45.04	—
	60,000	60,000	22 June 2001	22 June 2003 to 7 October 2007	—	—	32.10	—
	60,000	60,000	22 June 2001	22 June 2006 to 7 October 2007	—	—	32.10	—



## Other Information (Continued)

	No. of shares involved in the options outstanding at the beginning of the period	No. of shares involved in the options outstanding at period end	Date on which options were granted	Normal period during which options are exercisable	No. of shares involved in the options cancelled during the period	No. of shares acquired on exercise of options during the period	Price per share to be paid on exercise of options HK\$	Closing price per share immediately before the date of exercise of options HK\$
Li Zhenqun	560,000	560,000	22 June 2001	22 June 2003 to 7 October 2007	—	—	32.10	—
	560,000	560,000	22 June 2001	22 June 2006 to 7 October 2007	—	—	32.10	—
Ding Donghua (resigned on 3 July 2002)	2,100,000	2,100,000	9 March 1998	9 March 1998 to 8 March 2006	—	—	11.10	—
	550,000	550,000	26 November 1999	26 November 1999 to 7 October 2007	—	—	33.91	—
	550,000	550,000	26 November 1999	26 November 2002 to 7 October 2007	—	—	33.91	—
	100,000	100,000	25 April 2000	25 April 2002 to 7 October 2007	—	—	45.04	—
	100,000	100,000	25 April 2000	25 April 2005 to 7 October 2007	—	—	45.04	—
	60,000	60,000	22 June 2001	22 June 2003 to 7 October 2007	—	—	32.10	—
	60,000	60,000	22 June 2001	22 June 2006 to 7 October 2007	—	—	32.10	—

## Other Information (Continued)

	No. of shares involved in the options outstanding at the beginning of the period	No. of shares involved in the options outstanding at period end	Date on which options were granted	Normal period during which options are exercisable	No. of shares involved in the options cancelled during the period	No. of shares acquired on exercise of options during the period	Price per share to be paid on exercise of options HK\$	Closing price per share immediately before the date of exercise of options HK\$
Li Gang	500,000	500,000	26 November 1999	26 November 1999 to 7 October 2007	—	—	33.91	—
	500,000	500,000	26 November 1999	26 November 2002 to 7 October 2007	—	—	33.91	—
	90,000	90,000	25 April 2000	25 April 2002 to 7 October 2007	—	—	45.04	—
	90,000	90,000	25 April 2000	25 April 2005 to 7 October 2007	—	—	45.04	—
	50,000	50,000	22 June 2001	22 June 2003 to 7 October 2007	—	—	32.10	—
	50,000	50,000	22 June 2001	22 June 2006 to 7 October 2007	—	—	32.10	—
Xu Long	585,000	585,000	25 April 2000	25 April 2002 to 7 October 2007	—	—	45.04	—
	585,000	585,000	25 April 2000	25 April 2005 to 7 October 2007	—	—	45.04	—
	47,500	47,500	22 June 2001	22 June 2003 to 7 October 2007	—	—	32.10	—
	47,500	47,500	22 June 2001	22 June 2006 to 7 October 2007	—	—	32.10	—



## Other Information (Continued)

	No. of shares involved in the options outstanding at the beginning of the period	No. of shares involved in the options outstanding at period end	Date on which options were granted	Normal period during which options are exercisable	No. of shares involved in the options cancelled during the period	No. of shares acquired on exercise of options during the period	Price per share to be paid on exercise of options HK\$	Closing price per share immediately before the date of exercise of options HK\$
He Ning	500,000	500,000	26 November 1999	26 November 1999 to 7 October 2007	—	—	33.91	—
	500,000	500,000	26 November 1999	26 November 2002 to 7 October 2007	—	—	33.91	—
	83,000	83,000	25 April 2000	25 April 2002 to 7 October 2007	—	—	45.04	—
	83,000	83,000	25 April 2000	25 April 2005 to 7 October 2007	—	—	45.04	—
	45,000	45,000	22 June 2001	22 June 2003 to 7 October 2007	—	—	32.10	—
	45,000	45,000	22 June 2001	22 June 2006 to 7 October 2007	—	—	32.10	—
Liu Ping	581,000	581,000	25 April 2000	25 April 2002 to 7 October 2007	—	—	45.04	—
	581,000	581,000	25 April 2000	25 April 2005 to 7 October 2007	—	—	45.04	—
	40,000	40,000	22 June 2001	22 June 2003 to 7 October 2007	—	—	32.10	—
	40,000	40,000	22 June 2001	22 June 2006 to 7 October 2007	—	—	32.10	—
Yuan Jianguo	580,000	580,000	25 April 2000	25 April 2002 to 7 October 2007	—	—	45.04	—
	580,000	580,000	25 April 2000	25 April 2005 to 7 October 2007	—	—	45.04	—
	45,000	45,000	22 June 2001	22 June 2003 to 7 October 2007	—	—	32.10	—
	45,000	45,000	22 June 2001	22 June 2006 to 7 October 2007	—	—	32.10	—



## Other Information (Continued)

	No. of shares involved in the options outstanding at the beginning of the period	No. of shares involved in the options outstanding at period end	Date on which options were granted	Normal period during which options are exercisable	No. of shares involved in the options cancelled during the period	No. of shares acquired on exercise of options during the period	Price per share to be paid on exercise of options HK\$	Closing price per share immediately before the date of exercise of options HK\$
Wei Yiping	578,000	578,000	25 April 2000	25 April 2002 to 7 October 2007	—	—	45.04	—
	578,000	578,000	25 April 2000	25 April 2005 to 7 October 2007	—	—	45.04	—
	40,000	40,000	22 June 2001	22 June 2003 to 7 October 2007	—	—	32.10	—
	40,000	40,000	22 June 2001	22 June 2006 to 7 October 2007	—	—	32.10	—
<b>Employees</b>	12,567,000	12,464,000	25 April 2000	25 April 2002 to 7 October 2007	103,000	—	45.04	—
	12,567,000	12,464,000	25 April 2000	25 April 2005 to 7 October 2007	103,000	—	45.04	—
	37,164,000	36,876,250	22 June 2001	22 June 2003 to 7 October 2007	287,750	—	32.10	—
	37,164,000	36,876,250	22 June 2001	22 June 2006 to 7 October 2007	287,750	—	32.10	—
		115,069,500 (note)						

Note: The total number of shares involved in the options outstanding at period end represents 0.6 per cent. of the issued share capital of the Company as at the date of this report.

The share options granted are not recognised in the accounts until they are exercised.

Apart from the foregoing, at no time during the six months ended 30 June 2002 was the Company, any of its holding companies or subsidiaries, a party to any arrangement to enable the directors of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## Other Information (Continued)

### Substantial Interests in the Share Capital of the Company

The Company has been notified of the following interests in the Company's issued shares at 30 June 2002 amounting to 10 per cent. or more of the ordinary shares in issue:

	Ordinary shares held		Percentage
	directly	indirectly	of total issued shares
(i) China Mobile Communications Corporation ("China Mobile")	—	14,062,602,396	74.63%
(ii) China Mobile (Hong Kong) Group Limited ("CMHK (Group)")	—	14,062,602,396	74.63%
(iii) China Mobile Hong Kong (BVI) Limited ("CMHK(BVI)")	14,062,602,396	—	74.63%

*Note:* In light of the fact that China Mobile and CMHK (Group) directly or indirectly control one-third or more of the voting rights in the shareholders' meetings of CMHK(BVI), in accordance with the Securities (Disclosure of Interests) Ordinance, the interests of CMHK(BVI) are deemed to be, and have therefore been included in, the interests of China Mobile and CMHK (Group).

Apart from the foregoing, as at 30 June 2002, no person or corporation had any interest in the share capital of the Company as recorded in the registers required to be kept under section 16 (1) of the Securities (Disclosure of Interests) Ordinance as having an interest in 10 per cent. or more of the issued share capital of the Company.

On 1 July 2002, 827,514,446 ordinary shares of HK\$0.10 each were issued and credited as fully paid to CMHK(BVI) at HK\$24.7217 per share as part of the consideration for the acquisition of the entire issued share capital of Anhui Mobile BVI, Jiangxi Mobile BVI, Chongqing Mobile BVI, Sichuan Mobile BVI, Hubei Mobile BVI, Hunan Mobile BVI, Shaanxi Mobile BVI and Shanxi Mobile BVI. Upon the completion, the shareholding of CMHK(BVI) in the issued share capital of the Company was increased from 74.63 per cent. to 75.70 per cent.

### Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2002, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### Audit Committee

The Audit Committee reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters including the review of the unaudited interim accounts for the six months ended 30 June 2002.

### Compliance with the Code of Best Practice

None of the Directors is aware of any information that would reasonably indicate that the Company was not at any time during the six months ended 30 June 2002 in compliance with the Code of Best Practice as set out by The Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules except that the non-executive directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association.



## Other Information (Continued)

### Supplementary Information for ADS Holders

The above unaudited financial information has been prepared in accordance with the generally accepted accounting principles applicable in Hong Kong ("HK GAAP"), which differ in certain significant respects from those applicable in the United States ("US GAAP"). The significant differences between HK GAAP and US GAAP that affect the Group's results for the six months ended 30 June 2002 are substantially the same as those disclosed in the Company's 2001 annual report. The effect of the significant differences between HK GAAP and US GAAP on the Group's unaudited consolidated net profit for the six months ended 30 June 2002 is set out below. The US GAAP adjustments shown below have been prepared by management and have not been subject to independent audit.

	For the six months ended 30 June 2002		For the six months ended 30 June 2001	
	US\$ million	RMB million	US\$ million	RMB million
Net profit under HK GAAP	<b>1,838</b>	<b>15,215</b>	1,668	13,809
US GAAP adjustments	<b>95</b>	<b>788</b>	80	659
Net profit under US GAAP	<b>1,933</b>	<b>16,003</b>	1,748	14,468
Basic and diluted net profit per share in accordance with US GAAP	<b>US\$0.10</b>	<b>RMB0.86</b>	US\$0.09	RMB0.77
Basic and diluted net profit per ADS in accordance with US GAAP *	<b>US\$0.52</b>	<b>RMB4.30</b>	US\$0.47	RMB3.87

\* Based on a ratio of 5 ordinary shares to one ADS.

### Forward-looking Statements

Certain statements contained in this Interim Report 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 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.

Solely for the convenience of the reader, amounts in Renminbi included in this Interim Report have been translated into United States dollars at the rate of US\$1.00 = RMB8.2771 quoted by the People's Bank of China on 30 June 2002. No representation is made that the Renminbi amounts could have been, or could be, converted into United States dollars at that rate or at any other rate on 30 June 2002 or on any other date.

