

Directors' and Chief Executive's Interests in Shares and Short Positions

As at 30 June 2003, 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 and Futures Ordinance (the "Ordinance")) as recorded in the register required to be kept under section 352 of the Ordinance were as follows:

Name of Director	Personal interest
Wang Xiaochu	500 American depositary shares (Note)

Note: As at 30 June 2003, 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', Chief Executive's and Employees' Rights to Acquire Shares" below. These share options were granted pursuant to the terms of the share option schemes adopted by the Company.

Apart from those disclosed herein, as at 30 June 2003, none of the directors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares and debentures of the Company or any of its associated corporations that is required to be recorded and kept in the register in accordance with section 352 of the Ordinance, any interests required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Directors', Chief Executive's and Employees' Rights to Acquire Shares

1 Share Option Schemes of the Company

During the six months ended 30 June 2003, no share options have been granted under the current share option scheme of the Company.

As at 30 June 2003, the directors, chief executive 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 of the Company (adopted on 8 October 1997 and terminated on 24 June 2002) and the current share option scheme of the Company (effective on 24 June 2002).

	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\$
Directors								
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	—
	150,000	150,000	3 July 2002	3 July 2004 to 2 July 2012	—	—	22.85	—
	150,000	150,000	3 July 2002	3 July 2007 to 2 July 2012	—	—	22.85	—
Xue Taohai	100,000	100,000	3 July 2002	3 July 2004 to 2 July 2012	—	—	22.85	—
	100,000	100,000	3 July 2002	3 July 2007 to 2 July 2012	—	—	22.85	—
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	—
	90,000	90,000	3 July 2002	3 July 2004 to 2 July 2012	—	—	22.85	—
	90,000	90,000	3 July 2002	3 July 2007 to 2 July 2012	—	—	22.85	—

Other Information (Cont'd)

1 Share Option Schemes of the Company (cont'd)

	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\$
Directors								
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	—
	95,000	95,000	3 July 2002	3 July 2004 to 2 July 2012	—	—	22.85	—
	95,000	95,000	3 July 2002	3 July 2007 to 2 July 2012	—	—	22.85	—
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	—
	90,000	90,000	3 July 2002	3 July 2004 to 2 July 2012	—	—	22.85	—
	90,000	90,000	3 July 2002	3 July 2007 to 2 July 2012	—	—	22.85	—
Employees*	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	—
	14,303,000	13,975,000	25 April 2000	25 April 2002 to 7 October 2007	328,000	—	45.04	—
	14,303,000	13,975,000	25 April 2000	25 April 2005 to 7 October 2007	328,000	—	45.04	—
	37,517,250	36,998,750	22 June 2001	22 June 2003 to 7 October 2007	518,500	—	32.10	—
	37,517,250	36,998,750	22 June 2001	22 June 2006 to 7 October 2007	518,500	—	32.10	—
	74,579,500	73,923,750	3 July 2002	3 July 2004 to 2 July 2012	655,750	—	22.85	—
	74,579,500	73,923,750	3 July 2002	3 July 2007 to 2 July 2012	655,750	—	22.85	—
	259,966,000 (Note)							

* The number of shares involved in the options outstanding at the beginning of the period included Mr Li Zhenqun, Mr Liu Ping, Mr Yuan Jianguo and Mr Wei Yiping's share options involving 1,320,000 shares, 1,342,000 shares, 1,410,000 shares and 1,336,000 shares respectively. All of these persons resigned as directors of the Company on 18 March 2003.

Note: The total number of shares involved in the options outstanding at period end represents 1.3 per cent. of the issued share capital of the Company as at the date of this report.

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

Other Information (Cont'd)

2 Share Option Scheme of Aspire Holdings Limited ("Aspire")

Pursuant to a resolution passed at the annual general meeting of the Company held on 24 June 2002, the share option scheme of Aspire (the "Aspire Scheme") was adopted.

As at 30 June 2003, a director and the employees of Aspire had the following personal interests in options to subscribe for shares of Aspire granted under the Aspire 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 US\$
Director of Aspire*	—	2,800,000	18 February 2003	(Note 2)	—	—	0.182
Employees of Aspire*	—	14,180,000	18 February 2003	(Note 3)	—	—	0.298
	—	850,000	18 April 2003	(Note 3)	—	—	0.298
		17,830,000 (Note 1)					

* During the six months ended 30 June 2003, no share options have been granted under the Aspire Scheme for the directors or chief executive of the Company.

Note 1: The total number of shares involved in the options outstanding at the end of the period represents 1.9 per cent. of the issued share capital of Aspire as at the date of this report.

Note 2: (a) 50 per cent. of the options are exercisable between the period:

- commencing on the later of:
 - (i) two years after the date of appointment as director; or
 - (ii) the listing of the shares of Aspire; and
- ending on 17 February 2013; and

(b) the remaining 50 per cent. of such options shall be exercisable between the period commencing three years after the initial 50 per cent. of the option becomes exercisable and ending on 17 February 2013.

Note 3: (a) 50 per cent. of the options granted to a particular employee are exercisable between the period:

- commencing on the later of:
 - (i) two years after the commencement of employment of that employee or the option offer date (as the case may be); or
 - (ii) the listing of the shares of Aspire; and
- ending on the date falling 10 years from the option grant date; and

(b) the remaining 50 per cent. of such options shall be exercisable between the period commencing three years after the initial 50 per cent. of the option becomes exercisable and ending on the date falling 10 years from the option grant date.

Other Information (Cont'd)

2 Share Option Scheme of Aspire Holdings Limited ("Aspire") (cont'd)

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

Since the options granted pursuant to the Aspire Scheme are for the subscription of shares in Aspire which are not listed, the value of the options granted is not required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

In any event, since (i) the shares in Aspire are not listed, (ii) the options granted under the Aspire Scheme are not freely transferable (and hence there is no open market for transacting these options); and (iii) the grantee of an option will also not be able to charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any option, any valuation of the options will necessarily be based on subjective assumptions, and may not provide a reliable measure of the fair value of the options and would potentially be misleading to the shareholders of the Company.

Apart from the foregoing, at no time during the six months ended 30 June 2003 was the Company, any of its holding companies or subsidiaries, a party to any arrangement to enable the directors or chief executive 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.

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 2003 amounting to 5 per cent. or more of the ordinary shares in issue:

	Ordinary shares held		Percentage of
	directly	indirectly	total issued shares
(i) China Mobile Communications Corporation ("China Mobile")	—	14,890,116,842	75.69%
(ii) China Mobile (Hong Kong) Group Limited ("CMHK (Group)")	—	14,890,116,842	75.69%
(iii) China Mobile Hong Kong (BVI) Limited ("CMHK (BVI)")	14,890,116,842	—	75.69%

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 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 2003, 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 336 of the Ordinance as having an interest in 5 per cent. or more of or any short position in the issued share capital of the Company.

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

During the six months ended 30 June 2003, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Other Information (Cont'd)

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 2003.

Compliance with the Code of Best Practice

None of the directors of the Company is aware of any information that would reasonably indicate that the Company was not at any time during the six month ended 30 June 2003 in compliance with the Code of Best Practice as set out by the Stock Exchange 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.

Closure of Register of Members

The register of members of the Company will be closed from 2 September 2003 to 4 September 2003. During this period, no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Hong Kong Registrars Limited, at Rooms 1901-5, 19th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 1 September 2003. The interim dividends will be paid on 15 September 2003 to those shareholders on the register of members on 4 September 2003.

Other Information (Cont'd)

Supplementary Information for ADR 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 2003 are substantially the same as those disclosed in the Company's 2002 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 2003 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 2003		For the six months ended 30 June 2002	
	US\$ million	RMB million	US\$ million	RMB million
Net profit under HK GAAP	2,110	17,469	1,867	15,451
US GAAP adjustments	162	1,337	389	3,224
Approximate net profit under US GAAP	2,272	18,806	2,256	18,675
Approximate basic net profit per share in accordance with US GAAP	US\$0.12	RMB0.96	US\$0.12	RMB0.96
Approximate diluted net profit per share in accordance with US GAAP	US\$0.12	RMB0.95	US\$0.12	RMB0.96
Approximate basic net profit per ADS in accordance with US GAAP*	US\$0.58	RMB4.78	US\$0.58	RMB4.80
Approximate diluted net profit per ADS in accordance with US GAAP*	US\$0.58	RMB4.77	US\$0.58	RMB4.79

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

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 8.2774 quoted by the People's Bank of China on 30 June 2003. 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 2003 or on any other date.

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.