

China Mobile's net profit up 1.5%

HONG KONG, CHINA: China Mobile, the world's biggest mobile operator by subscribers, said on Thursday (15 August) its net profit for the first six months of the year grew by 1.5%, beating analysts' predictions.



The Hong Kong-listed company said in a filing to the city's stock exchange that net profit for the first six months rose to 63.1bn yuan (US\$10.32bn).

Revenue was up 10.4% at 303.1bn yuan, buoyed by its data business, which saw an increase in revenue by 25.5% to 95.4bn yuan.

Subscribers, meanwhile, rose to more than 740m, up by 8.4%. That in turn helped boost wireless data traffic, which saw a significant 129% increase.

The company declared a half-year dividend of HK\$1.696 a share, compared with HK\$1.633 last year.

The company said its business faces complex and intense competition as it implements transformation in an evolving 4G network market.

"The group firmly continued to implement its strategic transformation," said company chairman Xi Guohua in a statement provided with the filing.

He added that good progress had been made in commercialising TD-LTE, a version of the 4G network.

China Mobile has been saddled with a proprietary third-generation Chinese standard not commonly used outside the country and has faced stiff competition from rivals China Unicom and China Telecom who have snapped up smartphone hungry customers looking for good 3G coverage, Dow Jones Newswires reported.

The slower growth comes amidst the company's investment of US\$7bn this year to build a new, faster 4G network to hold its edge over its competitors.

A survey done by Dow Jones had expected the company to book a profit of 62.34bn yuan.

Source: AFP via I-Net Bridge

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