

PRESS RELEASE

For Immediate Release

CHINA MOBILE ANNOUNCES 2016 ANNUAL RESULTS

Encouraging Revenue Growth with
Leading Profitability and Rising Dividend Payout Ratio

Highlights

- Service revenue growth recorded a five-year high, with ongoing market leading profitability
- Data traffic continued to deliver burgeoning growth and became the biggest revenue source
- Fostered the integrated development of the “four growth engines”, with comprehensive 4G leadership, rapid development of wireline broadband business, a growing corporate customer base and an extended foothold in the emerging business
- Increased 2016 full-year dividend payout ratio to 46%, continuously creating value for shareholders

Operating Performance

	2016	2015	Change
Total mobile customers (million)	848.90	826.24	2.7%
Of which: 4G customers (million)	535.04	312.28	71.3%
Operating revenue (RMB million)	708,421	668,335	6.0%
Of which: Revenue from telecommunications services (RMB million)	623,422	584,089	6.7%
EBITDA (RMB million) ¹	256,677	240,028	6.9%
Profit attributable to equity shareholders (RMB million) ²	108,741	108,539	0.2%
Basic earnings per share (RMB)	5.31	5.30	0.2%
Dividend per share (HK\$)	2.732	2.721	0.4%

1. The Company defines EBITDA as profit for the year before taxation, share of profit of investments accounted for using the equity method, finance costs, interest income, other gains, depreciation, amortization of other intangible assets and gain on the transfer of Tower Assets.

2. After excluding the one-off gain on the transfer of Tower Assets in 2015, net profit recorded a 10.5% increase year-on-year in 2016.

(Hong Kong, 23 March 2017) – The Group’s operating revenue reached RMB708.4 billion in 2016, representing an increase of 6.0% from the previous year. The growth rate of revenue from

Unless otherwise specified, in this press release, “China Mobile” or “the “Company” refers to China Mobile Limited, whereas the “Group” refers to China Mobile Limited and its subsidiaries.

telecommunications services stood at 6.7%, achieving a five-year high and ranking the first in the industry. The Group's revenue structure improved further with wireless data traffic revenue increasing by 43.5% from the previous year, accounting for 46.2% of revenue from telecommunications services. Wireless data traffic became the biggest revenue source in 2016 for the first time in the Group's history, surpassing the combined revenue of voice, SMS and MMS.

Profit attributable to equity shareholders reached RMB108.7 billion in 2016, or basic earnings per share of RMB5.31. Excluding the one-off gain in 2015 on the transfer of Tower Assets, profit attributable to equity shareholders increased by 10.5% in 2016. The Board recommends increasing the dividend payout ratio to 46% for the full financial year of 2016. A final dividend of HK\$ 1.243 per share is proposed. Together with the interim dividend of HK\$ 1.489 per share paid earlier, this amounts to an aggregate dividend payment of HK\$2.732 per share for the full 2016 financial year. Taking into account the Company's financial position, its ability to generate cash flow and its capital demands for future development, the Company will maintain a stable dividend payout ratio for 2017, striving to attain a stable-to-rising dividend payout ratio to create higher shareholder value.

Mr. Shang Bing, Chairman of the Group commented, "We achieved outstanding results on all fronts in 2016, maintaining our market leading profitability among all global telecommunications operators and laying a solid foundation for future growth. These hard-earned results were particularly encouraging against a backdrop of rapidly advancing information network and technology, an evolving business landscape and accelerating convergence in the information and communications technology industry, coupled with ever-changing external and internal operating environments. The results demonstrated our ability to harness new trends as well as our focus on innovation and delivering ever-greater value. The timely implementation of the 'Big Connectivity' strategy helped us to not only speed up our business transformation but also to consolidate our position as the market leader."

Major Developments

Harnessing the rapid developments in technology and business trends and aligning with its goal for inclusive development, the Group's initiatives in accelerating business transformation, driven by the "four growth engines" have yielded encouraging results in 2016.

The mobile market: Comprehensive leadership in the 4G market

The Group maintained its market leading position in terms of the overall development of 4G business, particularly in the areas of coverage and network quality. In 2016, the Group had a net addition of 223 million 4G customers, bringing the total number of 4G customers to 535 million. The 4G penetration rate of its mobile customers reached 63.0% and the Group has acquired the largest customer base. The Group has the world's largest 4G network and added a further 0.4 million 4G base stations to its network in 2016, increasing the total number of stations to 1.51 million and covering a population of more than 1.3 billion. Its average download speed on urban roads reached 40 Mbps. The Group launched high quality commercial VoLTE (Voice over LTE) services in more than 300 cities. These were all part of its continued efforts to enhance its industry-leading 4G customer experience and business application. The TD-LTE key technology and application for 4G, which the Group took pride in and contributed significantly to developing, won the Outstanding Prize in the 2016 National Science and Technology Progress Awards. The broader application of the TD-LTE standard around the world is a breakthrough for the industry.

The household market: Wireline broadband displaying rapid growth

The Group adopted a high-end approach to the development of the flourishing household market. In 2016, the Group had a net addition of 22.59 million wireline broadband customers, driving the total number of customers for this service up to 77.62 million, 76.9% of which subscribed to services with a bandwidth of 20M or above. The number of customers of its home digital product "Mobaihe", the set-top box that provides

high-definition video-on-demand service, has exceeded 22.80 million. Customer value for its broadband service has also increased steadily.

The corporate customer market: Increasing market share

The Group's corporate customer market has also been expanding. The Group has focused its resources on developing corporate services in key industry sectors such as public administration, finance, transportation, education, healthcare and energy, while at the same time broadening its product portfolio of dedicated lines, IDC (Internet Data Centres) and converged communications such as IMS (IP Multimedia Subsystem). In 2016, the Group served 5.45 million corporate customers and generated an increased proportion of product-related revenue. The Group's corporate telecommunications and informatisation services revenue continued to grow and accounted for approximately one-third of the total market.

The emerging business: Undergoing active development

The Group continued to grow its digital services in 2016 and built the world's largest dedicated core network for the Internet of Things, with the total number of connections exceeding 100 million. The Group enhanced the user experience for its Internet service customers by further increasing the website access success rate and shortening front-page loading latency for the top 100 most-visited websites. The Group applied the innovative distributed caching technology in its video services, increasing the download speed by 3 times. Its mobile payment service "and-Wallet" enjoyed stable growth and recorded a total transaction amount exceeding RMB1 trillion.

Future Development

This year marks the 20th anniversary of China Mobile's public listing. Mr. Shang said, "From the 1987 launch of the first generation analogue mobile network in Mainland China, to the extensive use of the 4G network and our pioneering research and planning for 5G technology today, we have always been able to anticipate and capture developing industry trends, address customer needs and forge ahead on this miraculous journey. In just two decades, our revenue has grown by 68 times, profit increased by 24 times and our market capitalisation expanded by 13.5 times. We now boast the world's largest network and customer base, industry-leading profitability and market capitalisation. I am proud to say that all of these factors combine to make us a world-class telecommunications operator."

Speaking on the future development of the Group, Mr. Shang added, "Looking ahead, China's ambition to become a 'Cyberpower' and the implementation of the 'Internet+' initiative will boost data usage and create new growth opportunities for the information and telecommunications industry. As well as being a driving force for infrastructure and strategic progress, this initiative will also raise the bar for industry players when it comes to innovation and quality. We will proactively align our business objectives with these developments, seizing opportunities as they emerge, rising to new challenges and making headway alongside our 'Big Connectivity' strategy. First, we will take a more macro and comprehensive view of the entire market. Second, we will build a strong foundation that will enable the growth of our comprehensive network. Third, we will strengthen our capability. Finally, we will create a mechanism that will generate greater synergies. In 2017, in the event that the policy environment matches our expectations, we will strive to maintain revenue growth from telecommunications services above the industry average, while also delivering industry-leading profitability.

"We remain committed to realising our vision of becoming the global leader in digital innovation and successfully implementing our 'Big Connectivity' strategy. All of us will continue to strive for a better digital future and, in doing so, look forward to delivering greater value and returns for our shareholders, customers, staff and other stakeholders."

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Forward-looking statements

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