

## PRESS RELEASE

For Immediate Release

*Unless otherwise stated, the financial data contained in this document have been prepared in accordance with International Financial Reporting Standards ("IFRS").*

## CHINA MOBILE 2022 INTERIM RESULTS

Rapid Growth in Digital Transformation Business      Maintained favourable trend in operating performance

### Highlights

- Maintained a favourable trend in operating performance; marked new milestones on the journey to achieve high-quality development
- Further promoted value-oriented operations with significant results; transformation business gained strong growth momentum
- Accelerated the development of digital-intelligent new infrastructure; continued to enhance sci-tech and innovation capabilities
- Extended enterprise reforms in greater breadth and depth; strengthened open cooperation to achieve mutual benefits
- Attach utmost importance to shareholder returns; share the fruits of digital-intelligent transformation
- Strive to tap into enormous opportunities in the blue-ocean digital economy; aspire to become a world-class enterprise

### Operating performance

	1H 2021	1H 2022	Change
Operating revenue (RMB million)	443,647	<b>496,934</b>	12.0%
Of which: Revenue from telecommunications services (RMB million)	393,215	<b>426,417</b>	8.4%
EBITDA (RMB million) <sup>1</sup>	161,988	<b>173,912</b>	7.4%
Profit attributable to equity shareholders (RMB million)	59,118	<b>70,275</b>	18.9%
Basic earnings per share (RMB)	2.89	<b>3.29</b>	14.1%
Dividend per share- interim (HK\$)	1.63	<b>2.20</b>	34.9%
Total mobile customers (million)	946	<b>970</b>	2.6%
Of which: 5G package customers (million)	251	<b>511</b>	103.8%
5G network customers (million)	127	<b>263</b>	106.7%
Mobile ARPU (RMB)	52.2	<b>52.3</b>	0.2%
Wireline broadband customers (million)	226	<b>256</b>	13.5%
Of which: Household broadband customers (million)	205	<b>230</b>	12.1%
Household customer blended ARPU (RMB)	41.1	<b>43.0</b>	4.6%
Corporate customers (million)	1,553	<b>2,112</b>	36.0%

1. EBITDA = profit from operations + depreciation and amortization

(Hong Kong, 11 August 2022) – In the first half of 2022, China Mobile recorded operating revenue of RMB496.9 billion, maintaining a double-digit growth of 12.0% year-on-year (YoY). Of this, our telecommunications services revenue was RMB426.4 billion, up by 8.4% YoY. Revenue from sales of products and others was RMB70.5 billion, up by 39.8% YoY. All four CHBN markets (i.e.: “Customer” market, “Household” market, “Business” market and “New” market) expanded in both customer base and revenue. Aggregate revenue from our “Home”, “Business” and “New” markets accounted for 40.0% of our telecommunications services revenue, increasing by 4.3 percentage points from that of full-year 2021 and showing a continued improvement in our revenue structure. Benefitting from the rapid growth of our digital content, smart home, 5G solutions for vertical industry sectors, mobile cloud and other information services businesses, our digital transformation revenue grew by 39.2% YoY to RMB110.8 billion. Contributing 26.0% of telecommunications services revenue, our digital transformation services have become a key growth driver, showing a strong upward trajectory as we break new ground in the information services market as part of a new phase of our development.

To further reduce costs and enhance operational efficiency, we implemented multiple initiatives to control costs and expenses while adding new streams of income and increasing revenue. These initiatives have achieved favorable outcomes, with profit attributable to equity shareholders reaching RMB70.3 billion, up by 18.9% YoY. After excluding the impact of the adjustment to the residual value rate in the same period last year, the YoY growth was 7.3%. Profit attributable to equity shareholders per share reached RMB3.29, representing a YoY increase of 14.1%. Our profitability remained in a leading position among top-tier global telecommunications operators. EBITDA increased by 7.4% YoY to RMB173.9 billion and accounted for 40.8% of telecommunications services revenue. EBITDA margin stood at 35.0%. Capital expenditure totaled RMB92.0 billion while our cash flow remained at a healthy level, with free cash flow amounting to RMB55.2 billion. Our strong financial position, alongside our high operational quality and management efficiency, has provided solid support for our future development.

To create higher returns for our shareholders and share the results of our operating gains, after giving full consideration to the Company’s profitability, cash flow condition and future development needs, the Company has decided to pay HK\$2.20 per share for the 2022 interim dividend, representing an increase of 34.9% year-on-year. 2022 full-year dividend payout ratio will further increase from that of the previous year. The profit to be distributed in cash for 2023 will gradually increase to 70% or above of the profit attributable to equity shareholders of the Company for that year.

Mr. Yang Jie, Chairman of the Company commented, ‘In the first half of 2022, despite the headwinds and challenges posed by COVID-19, alongside other complexities in the external environment, the Company made every effort to seize the opportunities arising from the thriving digital economy. We did this by embedding ourselves in the aspiration to become a world-class information services and sci-tech innovation enterprise. Throughout this period, we adopted a scientific approach to our reform and development as well as COVID-19 prevention and control. We furthered value-oriented operations by leveraging our business scale and drove the comprehensive and integrated development of our CHBN markets. Riding on 5G, CFN (computing force network) and smart mid-end platform, we established our new information service system consisting of connectivity, computing force and abilities. Following these initiatives, we maintained a favourable business growth trend and marked new milestones on the journey to achieve high quality development.’

### **Integrated development of CHBN markets and value-oriented operations achieved significant progress**

The flourishing development of the digital economy has presented new growth opportunities. In response, we accelerated the strategic transition of our “Customer” and “Home” markets from a focus on scale to an emphasis on value contributions from our customers, while we adopted the inverse strategy for our “Business” and “New” markets. All four CHBN markets showed good growth momentum, which helped consolidate our industry leadership and increase customer satisfaction.

### **“Customer” market: Integrated operations engendered stable-to-rising growth**

Our redoubled efforts to promote the integrated management of data access, applications and customer benefits, coupled with a strategy to exercise more precise scenario-based operations, have resulted in stable growth in both customer base and value contributions. On the one hand, we accelerated customer migration from 4G to 5G as well as created more synergy between our “Customer” market and the “Home” and “Business” markets, putting a focus on both the scale and quality of our 5G development and boosting personal information and communications consumption. On the other hand, we responded to our users’ digital consumption demands by adopting a platform economy model. In addition to delivering more membership services, we further differentiated our three major brands (GoTone, M-zone and Easy Own) with quality products and a wider range of blended benefit options to match their respective value propositions. These initiatives, together with our efforts to integrate our extensive customer touchpoints and quality resources, have enabled us to consistently generate high levels of customer value and loyalty. Our “Customer” market saw stable-to-rising YoY growth of 0.2% in the first half of 2022, with revenue reaching RMB256.1 billion. As of the end of June 2022, our mobile customer base reached 970 million, with a net addition of 12.96 million customers. Of these, 511 million were 5G package customers, representing a net increase of 124 million. The scale of our 5G customer base has anchored us at the forefront of the industry. The number of customers using our integrated-benefit products reached 241 million, with a net addition of 50.70 million customers. Regarding our cloud product Mobile Cloud Drive, the number of monthly active users recorded a net addition of 8.02 million, bringing the total to 143 million. Our range of feature businesses, including cloud XR (augmented reality), cloud games and 5G ultra high-definition video connecting tones, all saw rapid growth. Thanks to the rapid migration to 5G and increase in customer spending on digital life, the value contribution per customer saw stable growth, with the ARPU (average revenue per user per month) of our mobile business reaching RMB52.3, up by 0.2% YoY.

### **“Home” market: Value orientation drove business expansion**

To generate greater value from our smart home services, we leveraged the combined strengths of our full-gigabit network connections and cloud-based applications to transform our “Home” business toward HDICT (home data, information and communications technology) solutions and extend this business line to smart communities and digital villages. To lead in broadband services, we have expedited the upgrade and expansion of our gigabit broadband network and built our brand recognition around a quality “Home” service offering. To lead in TV services, we continued to enhance our programme content in which we have further integrated the operation of big- and small-screen content and created a household information service portal consisting of broadband television, digital cinema and vertical content. To lead in smart home services, we continued to launch innovative smart home applications in which we have sped up the scale development of proven applications including smart home network deployment, home security and smart remote controls. We also explored new application scenarios for our HDICT solutions and improved the operating system of new HDICT solutions for multiple scenarios. In the first half of 2022, our “Home” market maintained rapid growth, with revenue increasing by 18.7% YoY to RMB59.4 billion. As of the end of June 2022, we had a total of 230 million household broadband customers, or a net addition of 12.41 million, which continued to put us at the forefront of the industry in terms of customer net additions. Of which, gigabit broadband customer net additions accounted for more than 88% of our household broadband customer net additions. Growth contribution from our smart home applications continued to increase, with the number of customers of our Internet TV service “*Mobaihe*” reaching 181 million, accounting for 78.4% of our household broadband customer base. Our smart home network customer base also increased by 86.6% YoY; customers using our home security services and “big-screen video-on-demand” services grew by 136.2% YoY and 139.3% YoY respectively. Driven by a broadband upgrade as well as a growing offering of smart home applications, household customer blended ARPU continued to increase, reaching RMB43.0 in the first half of 2022, representing an increase of 4.6% YoY.

### **“Business” market: Bolstered capabilities fueled strong momentum**

With a focus on key industries, we advanced the integrated development of our network, cloud and DICT (data, information and communications technology). We significantly strengthened our market, product and support capabilities across-the-board. In the first half of 2022, our “Business” market revenue continued to

grow rapidly, reaching RMB91.1 billion, up by 24.6% YoY. We gained a net addition of 2.29 million corporate customers, bringing the total to 21.12 million. DICT revenue amounted to RMB48.2 billion, an increase of 44.2% YoY. In our mobile cloud business, we leaned on our differentiated advantages in the convergences of cloud and networks, cloud and big data, cloud and intelligence, and cloud and edge computing to further optimize our industry-leading mobile cloud products and technology. These efforts have resulted in very rapid growth in our mobile cloud revenue, amounting to RMB23.4 billion, up by 103.6% YoY. As of the end of June 2022, we have signed more than 3,500 cloud services major contracts, generating revenue of over RMB13 billion. We delivered more than 1,100 cloud migration projects for state-owned enterprises and completed a number of model cases for sectors including public administration, education and healthcare. We are fast becoming a top-tier player in the mobile cloud space. In the area of 5G vertical sectors, we partnered with leading enterprises across various industries to create model cases and accelerate the transition of 5G dedicated networks from a customized to a standardized model. We have achieved the commercialization of solutions and promoted the launch of packaged products. By mass replicating our solutions in this way, we reinforced our position as the leading 5G services provider. As of the end of June 2022, we have launched 300 leading 5G showcases and signed agreements of a cumulative of over 11,000 5G commercial projects across multiple sectors, bringing our DICT contract value for the first half of 2022 to more than RMB16 billion. We also started mass replicating these projects across a wide range of industries, covering smart mining, smart factories, smart grid, smart ports, smart hospitals and smart parks. In the field of IoV (Internet of Vehicles). Seizing the opportunities presented by the rapid growth of this emerging sector, we developed forward-looking and comprehensive plans. As of the end of June 2022, we have accumulated more than 195 million IoV connections. Among these, more than 25 million were factory-installed. In addition, we have implemented more than 150 cooperative vehicle infrastructure showcase projects. In the area of digital government, we strove to empower public administration, social governance and services related to people's livelihoods. We have provided informatization solutions ranging from public security and judiciary to emergency response and water resources for nearly 200 cities across 27 provinces in China. We have endeavoured to create an image of "digital government solutions expert", and our landmark digital government solutions projects have yielded notable results.

#### **"New" market: Innovative strategy supported very rapid growth**

Focusing on innovative deployment, we advanced the coordinated development of our "New" business in four key areas: international business, equity investment, digital content and FinTech. In the first half of 2022, revenue from our "New" market grew very rapidly to RMB19.9 billion, up by 36.5% YoY. In our international business segment, we strengthened the synergy between our domestic and international operations by launching more of our high-quality and proven domestic capabilities in overseas markets and achieving breakthroughs in developing 5G industry solutions. We further optimized the deployment of our international resources, boosted the global ecosystem and continuously enhanced our worldwide operations. In the first half of 2022, our international business revenue grew by 19.3% YoY to RMB8.1 billion. In terms of equity investment, we optimized our capital resources for value growth, ecosystem formation and synergy creation within a range of key industries. Also, by supporting the growth of ecosystem and encouraging innovation, we have facilitated the digital-intelligent transformation of the ecosystem through industry and capital links. Regarding digital content, we focused on creating an integrated platform for content generation, aggregation and dissemination. On this platform, we developed MIGU Video, cloud games, cloud XR and other high-quality Internet products, which expanded the scale of our business as well as enhanced our user experience. In the first half of 2022, our digital content revenue reached RMB11.6 billion, with a record growth rate of 50.6% YoY. The monthly active users of MIGU Video and cloud games, across all platforms, climbed by 72.5% and 149.4% YoY respectively. In our FinTech business, we built a centralized platform to facilitate financial services throughout the industrial chain. In the first half of 2022, the business grew to a scale of nearly RMB30 billion, up by 157% YoY. Offering a range of "and-Finance" services centered around "and-Wallet", we drove innovations surrounding digital currency scenarios and operations. In the first half of the year, the monthly active users of our "and-Wallet" service increased by 197.9% YoY.

## Accelerated the development of new information infrastructure

Looking to embrace the attributes of high-speed and ubiquitous, space-ground integrated, cloud-network convergent, intelligent and agile, green and low-carbon, secure and controllable, we developed the new integrated digital information infrastructure built on 5G, CFN and smart mid-end platform.

### A quality 5G network

As we continued to expand the depth and breadth of our 5G coverage, we adopted a scientific approach to coordinating our 700MHz, 2.6GHz and 4.9GHz frequency resources to take full advantage of the complementary strength of each frequency. We continued to promote the co-construction and sharing of our 5G network with China Broadcasting Network Corporation Limited and built the base network using 700MHz frequency band while we orderly grew our indoor coverage and utilized our 2.6GHz and 4.9GHz frequency bands with precision. In doing so, we further consolidated our 5G leadership. In the first half of 2022, 5G-related investments totaled RMB58.7 billion. We put in use a cumulative of one million 5G base stations, including 300,000 700MHz 5G base stations, which together served 263 million 5G network customers and more than 4,400 5G dedicated network projects. Our 5G services provided strong traffic support in the mass market and enabled industry transformations in our “Business” market. We were the first operator to commercialize VoNR (Voice over New Radio) with a full-fledged upgrade to our 5GtoB core network capabilities. Leveraging our leadership in 5G network standard setting as well as network technology, we have accelerated 6G innovation. To this end, we completed the verification of R16 technology and drove its industry adoption. We also played an important role in the freezing of the R17 standards by leading a total of 50 R17-related projects – the largest number among all operators. At the same time, we are leading 24 projects related to 5G-Advanced R18 standards, with a focus on AI-based wireless network architecture, multimedia enhancement and other technologies. In addition, we made breakthroughs in a number of network products including our proprietary 5G small cells. In terms of 6G, we led in envisaging the demand for the technology and achieved breakthroughs in more than 10 key technologies. We also built a 6G collaborative innovation base to drive domestic industrial research. Through these initiatives, we started to gain international recognition in the research and development (R&D) of 6G.

### A ubiquitous and integrated CFN

We proactively implemented the national strategy of channeling more computing resources from the east to the west and transformed our CFN from a conceptual prototype to an industrial practice. In terms of the supply of computing force, we advanced our plans to implement the national *Dual Gigabit Network Coordinated Development Action Plan*, striving to precisely construct a full-fiber gigabit broadband network. All of our Optical Line Terminal (OLT) platforms in the urban areas of cities and counties in the mainland of China, and over 88% for those in townships and villages, were equipped with gigabit capacity. Our gigabit coverage has reached 200 million households. We also strengthened our “4+3+X” data center facilities, with a total of 429,000 IDC cabinets available for external use, a net addition of 22,000. Our mobile cloud “N+31+X” saw enhanced cloud-network, cloud-edge, cloud-data and cloud-intelligence integration. The total number of cloud servers deployed accumulated to 593,000 after a net addition of 112,000. We have accelerated the development of a nationwide cloud dedicated network. This network is boosting synergies of the computing forces in the center, edge and terminal, allowing customers to seamlessly connect to the cloud when they access our network. We have enriched our product offering and cooperated with leading enterprises to integrate the social CFN for centralized management to meet the demand for computing force across various scenarios. Regarding computing force services, we have actively pursued business integration and innovation. Our initiatives included: focusing on enriching single entry points and our plug-and-play computing force services; building a computing network brain system with integrated computing-network deployment and orchestration; making “computing force faucets” where customers may access computing force services like getting tap water; eastern data and western storage, IoV, metaverse and other scenarios for CFN applications. During the Beijing Winter Olympics, we combined our CFN with the concept of the metaverse to create a variety of snow and ice technology applications such as digital-intelligent sports personas, XR studios and AR snow towns to help promote winter sports. In terms of computing force

technology, we gradually introduced our CFN full-stack and full strategy through collaboration and technological advancement. We published our *Computing Force Network Technology Whitepaper*, which outlined ten major technical development directions and gathered extensive industry consensus. We also activated CFN technology and application trials, developing a national pilot CFN and testing more than 10 key technologies across over 30 scenarios. These trials were based on various initiatives, including the national strategy of channeling more computing resources from the eastern to the western regions, social CFN integration with smart computing and supercomputing, the computing network brain system and cloud-edge-terminal integration.

### **An open and shared smart mid-end platform**

We strove to build an open, central-kitchen-like model for our smart mid-end platform and have seen positive early outcomes in terms of our ability to apply the capabilities internally and externally as well as the value delivered. Regarding ability aggregation, based on various business scenarios, we have amassed, shared and replicated a range of standardized capabilities such as smart process automation and electronic signature, as well as polished high-quality technological capabilities such as fundamental communications, artificial intelligence, blockchain, precise positioning and security certification. We continued to gather internal and external data to build our core data capabilities surrounding content and customer insights. As of the end of June 2022, we have marketed 476 mid-end platform capabilities, which were deployed more than 11.0 billion times per month on average, an increase of 61.5% YoY. Under the principle of full compliance with the applicable rules and regulations, we collected a daily average of more than 5.5 petabytes of data, of which high-value data exceeded 600 petabytes. The scale has equipped us with proven capabilities to exercise quantitative management of our data. We provided more than 1.28 trillion threads of data every day on average, an increase of 36% from the end of 2021. To support internal functions, we promoted the use of these capabilities in sales and marketing, service, management and other units to drive intelligent operations, reduce costs and enhance efficiency. Externally, we also worked on commercializing our capabilities and achieved positive initial outcomes in segments such as finance, government, IT, Internet and cultural tourism. Our collaborative ecosystems on platforms such as “*Yunshang Yidong*”, “*Wutong Yinfeng*” and “*Jiutian Lanyue*” continued to expand.

### **Future outlook**

At present, a new wave of technological evolution and industry transformation has given rise to significant momentum in both integration and innovation related to the next generation of information technology. These advances have increasingly been woven into every aspect and every process of people’s daily life, the economy and society. The fast-growing, all-encompassing and profoundly impactful digital economy features an information network as its critical infrastructure, data as the core element, information technology as the major driver, with integration and innovation as its key strategic elements. In the digital economy, information has become a crucial factor that drives the progress of human civilization, as well as economic and social development. The development will create enormous growth opportunities for information services. China’s digital economy is expected to grow from 39.8% of its GDP in 2021 to over 50% by 2025, with the scale of the information services market expected to increase from RMB12.5 trillion in 2021 to RMB22.8 trillion over the same period. This growth trend presents valuable opportunities for the digital-intelligent transformation of our Company. However, we also need to face uncertainties in our transformation and future development. The combined effect of COVID-19, geopolitical tensions, fluctuations in commodity prices and disruptions across the industrial and supply chains, among other factors, will impact our operations and production to a certain extent. In addition, the fast pace of change within the information services market creates more complexity, forcing us to increase our efforts across digital-intelligent platform operations and product offerings.

Mr. Yang Jie, Chairman of the Company commented, ‘In response to the evolving industry landscape as well as the opportunities emerging from it, we will embark on a new journey, fully, accurately and comprehensively aligning with new principles to ensure our participation in the new development paradigm and drive high-quality growth. We will pursue stable progress while forging ahead with a steadfast focus on

innovation. At the same time, we will advance towards a new position of becoming a world-class information services and sci-tech innovation enterprise and put in place a new strategy of becoming a world-class enterprise by building a dynamic “Powerhouse”, establishing new information infrastructure centered around 5G, CFN and smart mid-end platform, and forming an innovative information services system that consists of connectivity, computing force and abilities. With these, we will continue to satisfy, drive and uncover market demand while enabling the digital-intelligent transformation of production, lifestyle and social governance. We will strive to consistently create greater value for our customers and shareholders by providing quality information services and generating exceptional business results.’

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