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## CHINA MOBILE LIMITED

中國移動有限公司

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*

**(Stock Code: 941)**

### **POTENTIAL CONTINUING CONNECTED TRANSACTIONS ENTERING INTO THE 2023 BUSINESS COLLABORATION FRAMEWORK AGREEMENT WITH VENUSTECH**

On 23 March 2023, CMC and Venustech entered into the 2023 Business Collaboration Framework Agreement. Pursuant to the 2023 Business Collaboration Framework Agreement, CMC or its subsidiaries will provide information and communications technology services and products to Venustech or its subsidiaries and, at the same time, procure network security software and hardware products and related services from Venustech or its subsidiaries.

The annual caps for the transactions under the 2023 Business Collaboration Framework Agreement for the year ending 31 December 2023 are set out as follows:

	<b>For the year ending 31 December 2023</b>
Sale of products and provision of services by CMC or its subsidiaries to Venustech or its subsidiaries	RMB50 million (approximately HK\$57 million)*
Sale of products and provision of services by Venustech or its subsidiaries to CMC or its subsidiaries	RMB1,450 million (approximately HK\$1,656 million)

\* Each of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules in respect of the annual cap for transaction amount for sale of products and provision of services by CMC or its subsidiaries to Venustech or its subsidiaries is below 0.1%.

## HONG KONG LISTING RULES IMPLICATIONS

Pursuant to the Investment and Collaboration Agreement made between China Mobile Capital (a wholly-owned subsidiary of CMCC) and Venustech (among others), China Mobile Capital agreed to subscribe for certain privately-offered shares in Venustech, and certain shareholders of Venustech agreed to give up voting rights corresponding to part of their shareholdings in Venustech. Immediately after completion of the Subscription, China Mobile Capital will directly hold 22.99% shares in Venustech, and become the single largest shareholder of Venustech in terms of voting rights. Moreover, pursuant to the Investment and Collaboration Agreement, from completion of the Subscription, the board of directors of Venustech shall comprise nine directors, among which China Mobile Capital shall be entitled to nominate four non-independent director candidates and two independent director candidates. As such, upon completion of the Subscription, Venustech will become a subsidiary of CMCC. The Subscription is still subject to approvals from the State-owned Assets Supervision and Administration Commission of the State Council, the China Securities Regulatory Commission and other regulatory authorities, and has not been completed yet.

CMCC is the ultimate controlling shareholder of the Company. Upon completion of the Subscription, Venustech (as a subsidiary of CMCC) will become a connected person of the Company. Accordingly, from completion of the Subscription, the transactions contemplated under the 2023 Business Collaboration Framework Agreement will constitute continuing connected transactions for the Company under Rule 14A.25 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules in respect of the annual cap for transaction amount for sale of products and provision of services by Venustech or its subsidiaries to CMC or its subsidiaries under the 2023 Business Collaboration Framework Agreement exceeds 0.1% but is below 5%, such transactions will be classified as continuing connected transactions under Rule 14A.76(2) of the Hong Kong Listing Rules from completion of the Subscription, which are only subject to the reporting, annual review and announcement requirements set out in the Hong Kong Listing Rules but are exempt from the independent shareholders' approval requirement under the Hong Kong Listing Rules. Details of the 2023 Business Collaboration Framework Agreement will be included in the annual report and accounts of the Company in accordance with Rules 14A.49, 14A.71 and 14A.72 of the Hong Kong Listing Rules.

The Board announces that on 23 March 2023, CMC and Venustech entered into the 2023 Business Collaboration Framework Agreement. Pursuant to the 2023 Business Collaboration Framework Agreement, CMC or its subsidiaries will provide information and communications technology services and products to Venustech or its subsidiaries and, at the same time, procure network security software and hardware products and related services from Venustech or its subsidiaries.

## 2023 BUSINESS COLLABORATION FRAMEWORK AGREEMENT

- Date : 23 March 2023
- Parties : CMC  
Venustech
- Term of agreement : One year, from 1 January 2023 to 31 December 2023
- Subject matters : CMC or its subsidiaries will provide information and communications technology services and products to Venustech or its subsidiaries, including but not limited to voice services, information services (such as SMS, MMS, dedicated lines, broadband services), mobile cloud business-related products and services, customized application technologies, smart devices and telecommunication products, etc.
- Venustech or its subsidiaries will supply the following products and services to CMC or its subsidiaries: network security hardware products, software products and network security services etc. relating to network security protection, network security inspection, application security, data security, security management, cloud security, industrial control security, mobile and terminal security, etc.
- Condition : The 2023 Business Collaboration Framework Agreement shall take effect upon approval at a general meeting of Venustech.
- Pricing term : Pricing for these transactions shall be determined in accordance with prevailing market rates and shall not deviate from fair market standards offered by independent third parties. In determining the market rates, consideration shall be given to levels of fees paid and received from independent third parties by the parties in respect of the same kinds of products or services.
- Payment term : In determining the timing and manner of payment, parties shall make reference to payment terms offered by independent third parties for providing similar services. Unless otherwise agreed between the parties in the relevant specific agreements through arm's length negotiations, price shall be paid with reference to milestones in delivery of products or provision of services.

Historical transaction : amounts		<b>For the year ended 31 December 2022</b>
	Sale of products and provision of services by CMC or its subsidiaries to Venustech or its subsidiaries	RMB3 million (approximately HK\$3 million)
	Sale of products and provision of services by Venustech or its subsidiaries to CMC or its subsidiaries	RMB140 million (approximately HK\$160 million)
Annual caps :		<b>For the year ending 31 December 2023</b>
	Sale of products and provision of services by CMC or its subsidiaries to Venustech or its subsidiaries	RMB50 million (approximately HK\$57 million)*
	Sale of products and provision of services by Venustech or its subsidiaries to CMC or its subsidiaries	RMB1,450 million (approximately HK\$1,656 million)
Reasons for transactions and annual caps :	Network security goes hand-in-hand with information technology in the development of digital economy during the period of the 14th Five-Year Plan, and are expected to enter into a new stage of rapid and integrated development. The parties are market leaders in their respective fields: Venustech will contribute its professional expertise in network security, data security and business security; whereas the Group has built an information service system of “connectivity, computing force and ability”. Together, the parties will lead the industry in building a core competitive edge in the new network and information security market. Together, the parties will cultivate the market of security solutions, bring security capabilities from the “Business” market to the “Customer”, “Home” and “New” markets, and become a provider of security product capabilities facing all users. As such, it is expected that sale of products and provision of services between the parties will increase significantly in 2023.	

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## HONG KONG LISTING RULES IMPLICATIONS

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The Group had no other prior transactions with Venustech or its associates which required aggregation with the 2023 Business Collaboration Framework Agreement under Rule 14A.81 of the Hong Kong Listing Rules.

As all the executive Directors also hold executive positions at CMCC, all the executive Directors have abstained from voting on the board resolution approving the transactions under the 2023 Business Collaboration Framework Agreement.

The Board (including the independent non-executive Directors but excluding the executive Directors who have abstained from voting) is of the view that the 2023 Business Collaboration Framework Agreement was entered into on an arm's length basis between CMC and Venustech, reflects normal commercial terms and is in the interests of the Company and its shareholders as a whole, the transactions thereunder are in the ordinary and usual course of business of the Group, and the terms as well as the annual caps for the transactions thereunder are fair and reasonable.

## GENERAL INFORMATION

CMC is a wholly-owned subsidiary of the Company which provides network and business coordination center services in China. The Group is the leading information and communications technology services provider in the mainland of China, and provides communications and information services in all 31 provinces, autonomous regions and directly-administered municipalities throughout the mainland of China and in Hong Kong. The Company is an investment holding company.

Venustech is a joint stock limited company established under the laws of the PRC, whose shares are listed on the Shenzhen Stock Exchange (stock code: 002439). Venustech principally engages in the research, development, production and sales of information security products, and the provision of professional security services and solutions.

This announcement contains translations between Renminbi and Hong Kong dollars at RMB0.87554 = HK\$1.00. The translations are not representations that Renminbi and Hong Kong dollar could actually be converted at such rate, if at all.

In this announcement, references to applicable percentage ratios calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules mean the assets ratio, the revenue ratio and the consideration ratio.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2023 Business Collaboration Framework Agreement”	the 2023 business collaboration framework agreement dated 23 March 2023 and entered into between CMC and Venustech
“Board”	the board of Directors of the Company
“China Mobile Capital”	China Mobile Capital Holding Co., Ltd., a wholly-owned subsidiary of CMCC
“CMC”	China Mobile Communication Company Limited, a wholly-owned subsidiary of the Company
“CMCC”	China Mobile Communications Group Co., Ltd., a state-owned enterprise established under the laws of the PRC, the ultimate controlling shareholder of the Company
“Company”	China Mobile Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Investment and Collaboration Agreement”	the investment and collaboration agreement dated 17 June 2022 and entered into between China Mobile Capital and Venustech (among others) (as supplemented by relevant supplementary agreement(s))
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Subscription”	the subscription of shares in Venustech by China Mobile Capital pursuant to the Investment and Collaboration Agreement
“Venustech”	Venustech Group Inc., a joint stock limited company established under the laws of the PRC, whose shares are listed on the Shenzhen Stock Exchange (stock code: 002439)
“%”	per cent.

By Order of the Board  
**China Mobile Limited**  
**Yang Jie**  
*Chairman*

Hong Kong, 23 March 2023

## **FORWARD-LOOKING STATEMENTS**

Forward-looking statements contained in this announcement do not constitute and should not be viewed as commitments made by the Company. 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 those implied by such forward-looking statements. In addition, the Company does not intend to update such forward-looking statements. Investors are cautioned not to unduly rely on such forward-looking statements.

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Yang Jie, Mr. Dong Xin, Mr. Li Pizheng and Mr. Li Ronghua as executive directors; and Mr. Stephen Yiu Kin Wah, Dr. Yang Qiang, Mr. Carmelo Lee Ka Sze and Mrs. Margaret Leung Ko May Yee as independent non-executive directors.*