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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 Codes: 941 (HKD Counter) and 80941 (RMB Counter)

2023 INTERIM RESULTS

- Operating revenue was RMB530.7 billion, up by 6.8% year-on-year; of which, revenue from telecommunications services was RMB452.2 billion, up by 6.1% year-on-year
- Digital transformation revenue reached RMB132.6 billion, up by 19.6% year-on-year, contributing 29.3% of telecommunications services revenue
- Profit attributable to equity shareholders was RMB76.2 billion, up by 8.4% year-on-year
- Total number of mobile customers was 985 million; of which, number of 5G package customers was 722 million; mobile ARPU increased by 0.2% year-on-year to RMB52.4
- Total number of wireline broadband customers was 286 million; of which, number of household broadband customers was 255 million; household customer blended ARPU increased by 0.7% year-on-year to RMB43.3
- Payment of an interim dividend of HK\$2.43 per share was declared, up by 10.5% year-on-year; full-year profit to be distributed in cash in 2023 will increase to 70% or above of the profit attributable to equity shareholders of the Company for the year

CHAIRMAN’S STATEMENT

Dear Shareholders,

In the first half of 2023, despite various difficulties and challenges brought about by insufficient macro demand and complex external environment, we worked closely together as a solid team to seize the valuable opportunities emerging from the flourishing digital economy, deepening the implementation of the world-class “Powerhouse” development strategy. We systematically built our new information infrastructure centering around 5G, computing force network (CFN) and capability middle platform, and innovatively created a new information services system equipped with connectivity, computing force and capability. These efforts, coupled with our deeper and more extensive reforms and innovation, enabled us to achieve fresh accomplishments across all aspects of our operations. We recorded favorable business results and made steady enhancements to quality of growth, laying a solid foundation for achieving our full-year targets. These results were truly hard-earned.

2023 Interim Results

In the first half of 2023, our operating revenue was RMB530.7 billion, or growth of 6.8% year-on-year. Of this, our telecommunications services revenue accounted for RMB452.2 billion, an increase of 6.1% year-on-year. Total connections¹ reached 3.19 billion, with a net addition of 250 million. CHBN² markets saw all-round growth, with HBN revenue accounting for 42.7% of telecommunications services revenue, an increase of 2.7 percentage points year-on-year. Our digital transformation revenue³ increased by 19.6% year-on-year and reached RMB132.6 billion, taking up 29.3% of telecommunications services revenue. We are steadily advancing our transition from traditional to new growth drivers, with a continuously rising share of revenue contribution from digital transformation. This has underscored the value contribution of digital transformation as our “second curve” of revenue growth.

¹ Total connections include mobile phones, wireline broadband, IoT cards, household devices and industry device connections

² CHBN refers to the “Customer” market (C), the “Home” market (H), the “Business” market (B), and the “New” market (N)

³ Digital transformation revenue includes the revenues from new businesses from the “Customer” market (Mobile Cloud Drive and others); the revenues from smart home value-added businesses from the “Home” market; the revenues from DICT, IoT and dedicated lines businesses from the “Business” market; and the revenue from the “New” market (excluding revenue from international basic business)

Profit attributable to equity shareholders was RMB76.2 billion, an increase of 8.4% year-on-year, and earnings per share were RMB3.56. We maintained industry-leading profitability among top-tier global telecommunications operators. EBITDA was RMB183.5 billion, an increase of 5.5% year-on-year. EBITDA as a percentage of telecommunications services revenue was 40.6%. Capital expenditure totaled RMB81.4 billion. Free cash flow amounted to RMB79.1 billion, an increase of 43.3% year-on-year. We maintained a leading position in terms of effectiveness and efficiency, and continued to achieve favorable momentum.

To create higher returns for our shareholders and share the results of our growth, after giving full consideration to the Company's profitability, cash flow generation and future development needs, the Company has decided to pay HK\$2.43 per share⁴ for the 2023 interim dividend, representing an increase of 10.5% year-on-year. Full-year profit to be distributed in cash in 2023 will increase to 70% or above of the profit attributable to equity shareholders of the Company⁵ for the year. The Company will strive to create more value for shareholders.

⁴ Dividends for A shares will be paid in RMB in the amount of RMB2.2247 per share, applying an exchange rate of HK\$1 to RMB0.915500, which is equal to the average of the mid-prices of HK\$ to RMB as announced by the People's Bank of China during the one week before the day on which the Board declared the interim dividend

⁵ The basis of profit distribution of the Company is the profit attributable to equity shareholders under IFRS

Remarkable Results in Value-Oriented Operations

We adhered to scale-based and value-oriented operations and continued to drive the comprehensive and integrated development of our CHBN markets in a well-coordinated manner, breaking into new areas and opened new markets. All four markets expanded both in scale and value. We consolidated our leading position in the industry and customer satisfaction continued to increase.

“Customer” Market: Solid Foundation with Stable-to-rising Growth

We strengthened the integration of data access, applications and customer benefits, and extended our promotion for universal 5G adoption and the China Mobile digital superstore. As a result, our “Customer” market experienced stable-to-rising growth, with revenue reaching RMB259.4 billion in the first half of 2023, an increase of 1.3% year-on-year. Mobile customers totaled 985 million, with a net addition of 10.38 million customers. In our mobile customer base, 722 million were 5G package customers, with a net addition of 108 million. The number of customers using our integrated-benefit products⁶ reached 326 million, a net addition of 38.85 million customers. The number of monthly active users of Mobile Cloud Drive, our cloud product, recorded a net addition of 9.76 million customers, bringing the total to 176 million, the second largest in the industry in terms of customer base. The number of customers using our 5G new voice over high-definition video reached 101 million, a net addition of 9.24 million customers. Our range of emerging 5G personal digital products, including cloud XR (augmented reality), cloud games and 5G ultra high-definition video connecting tones, all saw rapid growth. With increased customer value and loyalty, mobile ARPU (average revenue per user per month) reached an industry-leading figure of RMB52.4.

⁶ This refers to the number of normal on-net customers who have subscribed to our benefit products, including benefit-only integrated products, telecommunications + benefit integrated products, and paid members of our benefit superstore. Duplicate customers within the benefit business are removed

“Home” Market: Value Discovery Driving Favorable Growth

We captured the value potential of full-gigabit network and cloud-based applications by deepening our leadership in four areas – gigabit broadband, content-driven TV, platform-based IoT, and ecosystem-enabled HDICT (home data, information and communications technology). As a result, our “Home” market generated favorable growth, with revenue for the first half of 2023 reaching RMB64.9 billion, an increase of 9.3% year-on-year. The number of household broadband customers reached 255 million, or a net increase of 11.15 million, and led the industry. The number of household gigabit broadband customers reached 60.36 million, accounting for 23.7% of the overall household broadband customer base and showing ample room for development from bandwidth upgrade. Our mobile HD customer base reached 201 million. The number of smart home network and home security customers increased by 50.1% and 40.6% respectively year-on-year. HDICT solutions applied in new scenarios such as smart community and digital village have attracted 20.88 million users. Contribution from smart home applications continued to increase, and household customer blended ARPU reached RMB43.3.

“Business” Market: Strengthened Capabilities with Leading Growth Rate

We focused our efforts on the integrated development of network, cloud and DICT (data, information and communications technology), by fully leveraging our advantage in cloud and network resources. We focused on Mobile Cloud and 5G industry applications and obtained breakthroughs in scale, and our “Business” market continued to achieve rapid growth. In the first half of 2023, our “Business” market revenue reached RMB104.4 billion, an increase of 14.6% year-on-year. Our corporate customer base reached 24.30 million, with a net increase of 1.10 million customers. Our Mobile Cloud revenue reached RMB42.2 billion, an increase of 80.5% year-on-year. Within Mobile Cloud, the revenue market share of IaaS ranked top 3 in China, with revenue growth of our proprietary IaaS+PaaS exceeding 100%. Cumulatively, we have signed agreements for more than 25,000 5G commercial projects across multiple sectors, driving the value of DICT contracts to RMB20.9 billion in the first half of 2023, or growth of 28% year-on-year. The revenue from our 5G dedicated network reached RMB2.51 billion, an increase of 69.7% year-on-year. We achieved industry leadership in segments including smart mining, smart factories, smart power, smart hospitals, smart city and autonomous driving. We obtained breakthroughs in the new markets of Internet of Vehicles (IoV) and digital government. In the To V market, we forged partnerships with 9 of the top 10 new energy brands in China, ranked by sales volume; in the To G market, we empowered public administration, social governance and services related to people’s livelihoods, securing more than 1,000 projects with contract values exceeding RMB3 million each, showing a growing brand recognition in this space.

“New” Market: Increased Contribution with Rapid Growth

The “New” market maintained rapid growth following our efforts to focus on increasing the value contribution from international business, equity investment, digital content and FinTech. Revenue of the “New” market reached RMB23.5 billion in the first half of 2023, an increase of 18.4% year-on-year. In terms of international business, we deepened the synergies between international and domestic markets. We increased the export of high-quality products capabilities and 5G solutions to overseas markets while upgrading our digital infrastructure overseas and further strengthening our international ties. In the first half of 2023, our international business revenue reached RMB10.1 billion, an increase of 25.9% year-on-year. In terms of equity investment, we applied capital to attract and empower the formation and strengthening of industry chains, innovation chains, supply chains, ecological chains and value chains, actively expanding the family and ecosystem of the modern mobile information industry. In terms of digital content, we drew on the China Mobile Metaverse Industry Alliance to assist in our effort to drive the integrated innovation of the digital economy and metaverse, at the same time as enhancing our core products such as MIGU video and cloud games. Digital content revenue reached RMB13.0 billion in the first half of 2023, or growth of 12.5% year-on-year. The number of monthly active users for our cloud games across all platforms boasted a top-of-the-industry scale reaching 120 million. In terms of FinTech, we relentlessly promoted the rapid development of financial services throughout the industry chain, servicing around 600 partners upstream and downstream of the industry chain. We created an all-in-one digital consumption portal across all platforms, driving growth in “and-Wallet” monthly active customers by 64.8% year-on-year.

We achieved strong growth in digital transformation through increased efforts in business innovation, integrating connectivity, computing force and capability. In the first half of 2023, our digital transformation revenue contributed 84.1% to our incremental telecommunications services revenue and was the strongest driver of revenue growth. In terms of industry digitalization, DICT revenue increased by 24.9% year-on-year to RMB60.2 billion. In the area of personal and household digitalization, our benefit product revenue increased by 23.0% year-on-year to RMB10.2 billion; our smart home value-added business revenue grew by 21.4% year-on-year to RMB17.3 billion.

We are committed to providing exceptional services to our customers through our service system that manages every aspect of services and processes and all employees. As a result, we enjoyed industry-leading overall customer satisfaction. We continued to improve our services across the board, enhancing the quality of customer touch points, products and network. The level of digitalization and the innovative adoption of AI in customer services has greatly increased service efficiency. We also stepped up our communications effort in promoting service culture, contributing to a widespread recognition for quality. We continued to strengthen brand recognition and brand premium, enhancing brand building through the three key areas of strategic branding, brand operations and resource support. China Mobile topped the industry in first-mention, loyalty, reputation and other brand indicators. Our brand value remained one of the best among global telecommunications operators.

Strong Promotion of The “Two New Elements”

We adopted a systematic approach to developing 5G, CFN and capability middle platform, which are the key components of the new information infrastructure. In addition, we established a new information services system, integrating connectivity, computing force and capability. These measures reinforced our digital intelligence foundation.

Dual Gigabit maintained comprehensive leadership. We spared no effort in developing our leadership in 5G network, including furthering our collaboration with China Broadcasting Network Corporation Limited in the areas of co-construction and sharing, expanding synergies from multi-frequency network and extending our 5G coverage in an intensive and effective manner. In the first half of 2023, our investments in 5G network totaled RMB42.3 billion. Cumulatively to the end of June 2023, we have put into use 1.761 million 5G base stations⁷, including 578,000 700MHz 5G base stations. We provided seamless services to 393 million 5G network customers and played a role in promoting the replication at scale of 5G industry applications in various business segments. By anticipating the evolution of 5G development, we continued to lead the setting of 5G R18 standards and completed the first phase of 5G-A trials of eight key new technologies, driving advancements in signature technology and key sectors such as communications and experience integration, space-ground integration, and passive IoT. With a clear focus on customer needs, we built the full-fiber gigabit broadband network and adapted to different scenarios in different regions. Our Optical Line Terminal (OLT) platforms in urban areas boast 100% gigabit capability, and we have extended this capability to villages with 93.2% coverage. As a result, our gigabit coverage has reached 370 million households, with a net addition of 110 million households.

⁷ The statistical method for counting the number of indoor 5G base stations has been adjusted from baseband units to remote radio units

Ongoing leadership in CFN development. We accelerated the structural reform of the supply side of computing force services, turning CFN from a conceptual prototype into an industry deployment and strengthening the infrastructure of our CFN. As we continued to intensify the hierarchical structure of our “4+N+31+X”⁸ computing force, our data centers now cover all the hubs and nodes corresponding to the national “eastern data and western computing” strategy. We increased the number of IDC cabinets available for external use by 11,000 to a total of 478,000, and the number of computing force servers for deployment by more than 91,000 to a total of more than 804,000, representing total computing capacity of 9.4 EFLOPS. We have completed the world’s longest 400G all-optical network transmission distance of 5,616 kilometers from Zhejiang to Guizhou. This is the most advanced computing highway in China and supports “eastern data and western computing”. The “1-5-20 milliseconds” three-tiered computing latency range reduced the average response time within our network by 22%. We gradually expanded our computing force services, including development of our proprietary CFN brain and the network-connected computing force platform. Our CFN brain was amongst the first batch to pass the autonomous CFN brain intelligence certification by the China Academy of Information and Communications Technology. Subsequently a number of network-connected computing force projects were launched, and we have integrated and managed the computing force of more than 10 enterprises. We have proactively pursued the “computing force faucets” strategy: for the mass market, we launched the “3+2+1”⁹ product system for computing force terminals; for the government and enterprise markets, we promoted computing-network integrated products related to “eastern data and western computing”, flexible network services, intelligent computing services, network-connected computing force and more. We have had a number of breakthroughs in CFN technology, leading nearly 100 standards-setting projects at home and abroad. Our original and iconic technology “computing power routing” achieved breakthrough in the International Organization for Standardization (ISO) Internet Engineering Task Force (IETF). Building on the national CFN trial network, we collaborated with more than 30 partners and nurtured more than 40 notable projects.

⁸ 4 (hotspot regions) + N (central nodes) + 31 (provincial nodes) + X (edge nodes)

⁹ 3 types of light terminals (cloud mobile phone, cloud computer, Mobile Cloud HD) + 2 types of heavy terminals (store computing force server, family computing force server) + 1 unified base (to enable computing force integration, management and deployment to support business operations)

Continued to expand applications of capability middle platform. We focused on scaling our capability middle platform for both internal and external application to realize the value of the capabilities. This effort brought good results. As of the end of June 2023, we had launched 944 capabilities. These capabilities had been deployed 40.2 billion times per month on average, representing an increase of 192.3% from that of full-year 2022. Through commercialization of the capabilities and cost-savings from deploying them internally, we generated a value of more than RMB10 billion. This has supported us in empowering cloud migration and digital transformation across society, and improved the cost-effectiveness of our operations with visible results. We continued to mine the value of big data and emphasized the application of big data throughout enterprise production and operations. In the first half of 2023, we generated big data revenue of RMB2.56 billion, or a year-on-year increase of 56.6%, showing our growing brand recognition in this area. In addition, we are proactively integrating ourselves into the national big data strategy and have streamlined data element circulation by leveraging our advantages such as data and computing force.

Significant increase in information services offering. We have further strengthened our product portfolio and competitiveness, with a coordinated product release series beginning to take shape. In the mass market, our customer base for 7 of our products, including video connecting tones, home security services and mobile authentication services, led the industry; 16 products, including MIGU Video, cloud games and big-screen video-on demand have each exceeded 100 million customers. In the “Business” market, 5 and 12 of our products have generated annual revenue of more than RMB10 billion and more than RMB1 billion respectively. Our Mobile Cloud capability was industry leading across all platforms. We launched COCA¹⁰ (our proprietary high performance computing architecture) and built *Panshi* (our big cloud bedrock computing platform enabling a full-stack of autonomous and controllable tools). Our key products, such as cloud servers, were at the forefront of the industry in terms of their core performance. Two of our Mobile Cloud products were bestowed the Red Dot Award: Brands & Communication Design. In artificial intelligence (AI), we created the *Jiutian* AI platform building on our strengths as a telecommunications operator, and offering industrial-level intelligent service capabilities ranging from algorithms and platforms to capabilities and large-scale applications. This platform has been deployed in more than 830 applications across 27 fields internally and externally. Under this platform we have launched the *Jiutian* massive computing public administration large model and the *Jiutian* customer service large model, which help to promote the digitalization and integration of various industries. In terms of terminal products, China Mobile’s pan-terminal omni-channel alliance continued to expand. In the first half of 2023, sales of all terminals including handsets reached 47.13 million units, further reinforcing our influence in the industry.

¹⁰ Compute on Chip Architecture

Continuous Refinement of Innovative Development Strategy

We accelerated innovation and extended open collaboration while advancing enterprise reforms, further future-proofing our innovation capabilities.

Strengthened technological innovation. Building on the “Unified Five Rings”¹¹ strategy, we further implemented our innovation strategy by increasing our efforts to encourage innovation and develop talent, actively building a collaborative and open ecosystem. Our strong commitment in this area has bolstered our innovative vitality. We have maintained a leading position in the origination of innovative strategies, continuously leading in 5G-A technology and spearheading the largest number of 5G R18 standards projects amongst global telecommunications operators. We achieved breakthroughs in key technologies such as centralized orchestration and intelligent deployment of the CFN capabilities. For 6G, we formulated advance plans for 6G R&D, putting forward suggestions on 6G systemic network structure and jointly releasing more than 10 prototype technology samples. Our influence in this area has become more apparent in the international arena. We also achieved breakthroughs and advancements in critical digital-intelligent technology, attaining significant milestones in areas such as basis chips and Internet of Things (IoT) operating systems. We launched engine 2.0 for the *Heyun* network security base platform, integrating and managing 71 mainstream tools in the industry; we developed our own blockchain security engine to build the trust infrastructure drawing on our advantages as a telecommunications operator. We have further enhanced our DSSN products in preparation to develop this high potential market. Our innovative collaborative efforts have yielded significant results, and acting as a leader in the industry chain we have established partnership with more than 1,300 enterprises under our “10-10²-10³-10⁴” cooperation program, proactively working to break through bottlenecks and promote high-quality development of the industry chain. The 5G innovation consortium has facilitated the integration of innovative of 5G technology across diverse industries.

¹¹ The “Unified Five Rings” refers to the technology and innovation system composed of five rings: the inner ring (major research institutes), the mid-ring (specialized companies facilitating industry-research collaboration), the outer ring (provincial companies and regional innovation institutes), the partnership ring (tertiary institutes and enterprise partners), and the overseas ring (overseas R&D institutes and international organizations)

Extended open collaboration. We strengthened strategic partnerships with local governments, public institutions and enterprises. By focusing on implementing digital technology and the digital transformation across industries, we drove cross-disciplinary collaboration in information services to support the further development of the digital economy. We supported ecosystem growth by providing venture capital in various sectors including AI, Industrial Internet, Internet and information security, and visual IoT. We have strengthened innovation cooperation by enhancing new joint R&D projects, further implementing the “Joint Innovation Plus” scheme and partnering with enterprises, tertiary and sci-tech research institutes to advance the integrated innovation of industry, academia, research and application. We have also enhanced our plans on regional and overseas innovation and further strengthened the synergy between innovation and capital, promoting the development of an innovative ecosystem. Drawing on our position as an industry leader, we strengthened collaboration within the ecosystem to proactively build a new digital-intelligent ecosystem encompassing strategic and investment partners, telecommunications industry peers, system integration vendors, Internet technology companies and participants from broader society.

Solid progress in enterprise reforms. We continuously extended reforms to mechanisms and systems and proactively formulated strategies to develop strategic emerging industries. We continued to implement the national technology company development program and the “Double-hundred Action”. Our System Integration Company and Zijin (Jiangsu) Innovation Research Institute have been included in the expanded technology company development program initiated by The State-owned Assets Supervision and Administration Commission of the State Council. We launched an initiative to create specialized, premium, unique and new products and capabilities and the first priority teams to join this initiative have completed their selection and training, and were provided with tailored support from the Company. We have also further optimized the mechanisms of operations of our subsidiaries. In addition, we persistently enhanced our scientific management level, in which we continuously strengthened our scientific management system by ensuring the headquarters, regional companies and specialized teams each performed their respective roles in overall strategy-setting and management, driving market development, and enhancing competence. We look to implement changes to ensure coordinated product operations between provincial and specialized companies. We set the benchmark for good customer service by strengthening the customer experience-based service quality standards. We also effectively invigorated innovation and creation, appointing chief scientists and starting the second batch selection of chief experts. We strove to build a high-performing team of engineers and strengthen the talent pool of outstanding young technology talent. We tailored incentive schemes for different grades and different nature of work. We spearheaded the market-oriented reforms for certain key companies, improving the quality and coverage of our mid- to long-term incentive schemes through share options, dividends and other forms of incentives.

Continuous Improvements in Environmental, Social and Governance (ESG) Management

We adhered to the principles of integrity, transparency, openness and efficiency to fully comply with all applicable listing rules and regulations governing listed companies to ensure sound corporate governance. We adhered to the board member diversity policy, fully leveraging the experience and expertise of the independent non-executive directors to help us further improve our corporate governance and decision-making mechanisms. We continued to implement compliance management that matches our corporate governance and business transformation. We appointed a Chief Compliance Officer and ensured the continuing improvement of our compliance management system and compliance capabilities. We enhanced our supervision over key business areas by stepping up internal controls, risk prevention and mitigation. Strength in risk detection and risk management will help safeguard the healthy and sustainable development of the Company.

We attach great importance to the sustainable development of the Company. Based on our principles of “Sincerity and Fulfillment. Self-Realization and Empowerment”, we aligned our efforts with the key themes of digital-intelligent innovation, inclusive growth, green development and outstanding governance. By leveraging our expertise, we are committed to empowering the development of economy, society and environment, while concurrently contributing to causes such as advancing new information services, building a bright digital-intelligent future, supporting coordinated regional development, revitalizing villages, practising green and low-carbon operations, and taking part in charitable work and emergency and disaster relief missions. Our efforts have been recognized by the wider community. In addition, we emphasize developing talent and providing favorable conditions and environment for outstanding talent to develop. We care for our employees and are devoted to supporting them as they grow with our Company.

Future Outlook

The rapid development and continued integration of next-generation information technologies, such as 5G, cloud computing, big data and AI, are leading to new trends of systematic innovation and becoming increasingly integrated into all aspects of the economy, society, and everyday life, leading to the emergence of new industries and models such as autonomous driving, unmanned factories, and metaverse. The new wave of technological innovation has created more opportunities for industry development, but also put higher demands on the transformation of traditional business models. The integration of CT, IT and DT technologies, the integration of connectivity, computing force and capability in services, and the integration of new-generation information technology with production, livelihood and governance in applications are accelerating. These three integrations have quickened their pace and presented valuable opportunities for us to expand our information services. In the meantime, the macroeconomic environment is facing new challenges with a complex and rapidly changing business landscape. A lack of overall demand, operating difficulties, and intense competition from multiple entities are posing challenges for certain enterprises. We also face certain uncertainties in our transformation and future development.

Faced with a new business environment and new opportunities, we will fully, accurately and comprehensively align with new principles to ensure we contribute to the new development paradigm. We will firmly adhere to and creatively implement our “1-2-2-5”¹² strategy with precision. We will accelerate the construction of a new growth model driven by innovation and establish a world-class “Powerhouse” to a high standard, breaking new ground as we become a world-class information services and sci-tech innovation enterprise. By doing so, we will continue to bring more value to our shareholders and customers.

Acknowledgement

Finally, on behalf of the Board, I would like to take this opportunity to express my heartfelt gratitude for the support of our shareholders, customers and the public, and for the dedication and contribution of our employees.

Yang Jie
Chairman

Hong Kong, 10 August 2023

¹² Anchoring ourselves to the “one position” of a world-class information services and sci-tech innovation enterprise; speeding up the “two changes”, which are the shift from quantitative leadership based on scale to qualitative leadership with a focus on improving effectiveness and efficiency, and the shift from delivering business results in the short-to-mid-term to achieving value growth in the mid-to-long-term. We will collectively foster the “two new elements”: systematically building a new information infrastructure centering 5G, CFN and capability middle platform, and developing a new information service system of connectivity, computing force and capability. We will proactively unleash the “five benefits” through innovation, customer recognition, reforms, talent and ecosystem

GROUP RESULTS

China Mobile Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2023

(Expressed in Renminbi (“**RMB**”))

		Six months ended 30 June	
	Note	2023 Million	2022 Million
Operating revenue	5		
Revenue from telecommunications services		452,238	426,417
Revenue from sales of products and others		78,481	70,517
		<u>530,719</u>	<u>496,934</u>
Operating expenses			
Network operation and support expenses	6	143,526	138,194
Depreciation and amortization		103,170	99,464
Employee benefit and related expenses		70,433	63,934
Selling expenses		26,835	26,182
Cost of products sold		77,332	68,900
Other operating expenses	7	29,136	25,812
		<u>450,432</u>	<u>422,486</u>
Profit from operations		80,287	74,448
Other gains		4,003	3,076
Interest and other income	8	11,373	8,859
Finance costs		(1,938)	(1,229)
Income from investments accounted for using the equity method		4,953	6,195
		<u>98,678</u>	<u>91,349</u>
Profit before taxation		98,678	91,349
Taxation	9	(22,439)	(21,012)
PROFIT FOR THE PERIOD		<u>76,239</u>	<u>70,337</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

for the six months ended 30 June 2023

(Expressed in RMB)

	Note	Six months ended 30 June	
		2023	2022
		Million	Million
Other comprehensive income for the period, net of tax:			
Items that will not be subsequently reclassified to profit or loss			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		(7)	(160)
Share of other comprehensive loss of investments accounted for using the equity method		(93)	(3)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		1,219	1,211
Share of other comprehensive income/(loss) of investments accounted for using the equity method		534	(386)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>77,892</u>	<u>70,999</u>
Profit attributable to:			
Equity shareholders of the Company		76,173	70,275
Non-controlling interests		66	62
PROFIT FOR THE PERIOD		<u>76,239</u>	<u>70,337</u>
Total comprehensive income attributable to:			
Equity shareholders of the Company		77,826	70,937
Non-controlling interests		66	62
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>77,892</u>	<u>70,999</u>
Earnings per share – Basic	10(a)	<u>RMB3.56</u>	<u>RMB3.29</u>
Earnings per share – Diluted	10(b)	<u>RMB3.56</u>	<u>RMB3.29</u>

Details of dividends to the equity shareholders of the Company are set out in note 11.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 June 2023

(Expressed in RMB)

	Note	As at 30 June 2023 Million	As at 31 December 2022 Million
Assets			
Non-current assets			
Property, plant and equipment	12	705,974	741,029
Construction in progress	12	102,257	73,087
Right-of-use assets		102,314	108,749
Land use rights		15,087	15,244
Goodwill		35,301	35,301
Other intangible assets		7,143	8,691
Investments accounted for using the equity method		178,194	175,649
Deferred tax assets		45,379	43,638
Financial assets measured at fair value through other comprehensive income		509	490
Financial assets measured at fair value through profit or loss		186,565	187,130
Other financial assets measured at amortized cost		12,153	9,716
Bank deposits		53,459	45,887
Other non-current assets		37,760	34,556
		<u>1,482,095</u>	<u>1,479,167</u>
Current assets			
Inventories		12,977	11,696
Contract assets		14,585	13,657
Accounts receivable	13	68,564	40,245
Other receivables		14,164	12,838
Amount due from ultimate holding company		2,910	2,537
Prepayments and other current assets		26,338	26,257
Prepaid income tax		819	1,055
Other financial assets measured at amortized cost		14,383	16,300
Financial assets measured at fair value through profit or loss		126,778	108,303
Bank deposits		23,055	56,377
Cash and cash equivalents		204,928	167,106
		<u>509,501</u>	<u>456,371</u>
Total assets		<u><u>1,991,596</u></u>	<u><u>1,935,538</u></u>

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

as at 30 June 2023
(Expressed in RMB)

	Note	As at 30 June 2023 Million	As at 31 December 2022 Million
Equity and liabilities			
Liabilities			
Current liabilities			
Accounts payable	14	170,341	156,536
Bills payable		12,404	14,759
Contract liabilities		54,631	75,255
Accrued expenses and other payables		258,182	225,576
Amount due to ultimate holding company		11,996	20,136
Income tax payable		15,066	10,156
Lease liabilities		35,290	30,919
		<u>557,910</u>	<u>533,337</u>
Non-current liabilities			
Lease liabilities – non-current		77,038	81,741
Deferred revenue		8,848	8,810
Deferred tax liabilities		2,906	2,571
Other non-current liabilities		8,009	7,656
		<u>96,801</u>	<u>100,778</u>
Total liabilities		<u>654,711</u>	<u>634,115</u>
Equity			
Share capital		454,113	453,504
Reserves		878,655	843,844
Total equity attributable to equity shareholders of the Company		<u>1,332,768</u>	<u>1,297,348</u>
Non-controlling interests		<u>4,117</u>	<u>4,075</u>
Total equity		<u>1,336,885</u>	<u>1,301,423</u>
Total equity and liabilities		<u>1,991,596</u>	<u>1,935,538</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2023
(Expressed in RMB)

	Six months ended 30 June	
	2023	2022
	Million	Million
Net cash generated from operating activities	160,525	147,272
Net cash used in investing activities	(59,255)	(74,066)
Net cash used in financing activities	(63,766)	(45,008)
Net increase in cash and cash equivalents	37,504	28,198
Cash and cash equivalents, beginning of period	167,106	243,943
Effect of changes in foreign exchange rate	318	209
Cash and cash equivalents, end of period	204,928	272,350

NOTES:

(Expressed in RMB unless otherwise indicated)

1 General Information

China Mobile Limited (the “Company”) was incorporated in the Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China (the “PRC”) on 3 September 1997. The principal activities of the Company and its subsidiaries (together referred to as the “Group”) are the provision of telecommunications and information related services in the mainland of China and in Hong Kong (for the purpose of preparing the unaudited condensed consolidated interim financial information, the mainland of China refers to the PRC excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan). The Company’s immediate holding company is China Mobile Hong Kong (BVI) Limited (incorporated in the British Virgin Islands), and the Company’s ultimate holding company is China Mobile Communications Group Co., Ltd. (“CMCC”, incorporated in the mainland of China). The address of the Company’s registered office is 60th Floor, The Center, 99 Queen’s Road Central, Hong Kong.

The ordinary shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “HKEX”) since 23 October 1997.

On 5 January 2022, the Company completed the initial public offering of ordinary shares subscribed for and traded in RMB (the “RMB Shares”), which were listed on the Shanghai Stock Exchange (the “SHEX”).

2 Basis of Preparation

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2023 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim financial reporting”, issued by the International Accounting Standards Board (“IASB”), and Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting”, issued by HKICPA, which are consistent, and the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on HKEX.

The preparation of the unaudited condensed consolidated interim financial information in conformity with IAS/HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2022. The Group’s policies on financial risk management were set out in the financial statements included in the Company’s 2022 Annual Report and there have been no significant changes in these policies for the six months ended 30 June 2023.

No events and transactions that are significant to the changes in financial position and performance of the Group since the release of the annual financial statements for the year ended 31 December 2022 should be included in the Group’s unaudited condensed consolidated interim financial information. The unaudited condensed consolidated interim financial information does not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) or Hong Kong Financial Reporting Standards (“HKFRSs”).

The Group’s condensed consolidated interim financial information is unaudited, but has been reviewed by the Company’s Audit Committee. The condensed consolidated interim financial information has also been reviewed by the Company’s independent auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s unmodified independent review report to the board of directors is included in the 2023 interim report.

The financial information relating to the year ended 31 December 2022, that is included in the unaudited condensed consolidated interim financial information for the six months ended 30 June 2023 as comparative information, does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

3 Significant Accounting Policies

Except as described below, the accounting policies applied in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2022.

The following new and amended IFRSs/HKFRSs are mandatory for the first time for the Group's financial year beginning on 1 January 2023 and are applicable for the Group:

- IFRS/HKFRS 17, Insurance contracts
- Amendments to IAS/HKAS 8, Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates
- Amendments to IAS/HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS/HKAS 12, Income taxes: International tax reform – Pillar Two model rules

The adoption of the above new and amended IFRSs/HKFRSs did not have any significant impact on the Group's unaudited condensed consolidated interim financial information.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The management is assessing the impact of such standards and will adopt the relevant standards in the subsequent periods as required.

4 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal financial reports that are provided to and regularly reviewed by the Group's Chief Operating Decision Maker (the "CODM") in order to allocate resource and assess performance of the segment. The CODM has been identified as the Executive Directors of the Company. For the periods presented, the Group as a whole is an operating segment since the Group is only engaged in telecommunications and information related services. No geographical information has been disclosed as the majority of the Group's operating activities are carried out in the mainland of China. The Group's assets located and operating revenue derived from activities outside of the mainland of China are less than 5% of the Group's assets and operating revenue, respectively.

5 Operating Revenue

	Six months ended 30 June	
	2023	2022
	Million	Million
Revenue from telecommunications services		
Voice services	37,919	38,706
SMS & MMS services	16,152	16,278
Wireless data traffic services	211,780	208,192
Wireline broadband services	58,065	54,168
Applications and information services	116,358	97,988
Others	11,964	11,085
	<u>452,238</u>	<u>426,417</u>
Revenue from sales of products and others	<u>78,481</u>	<u>70,517</u>
	<u><u>530,719</u></u>	<u><u>496,934</u></u>

The majority of the Group's operating revenue is from contracts with customers, and the remaining is not material.

6 Network operation and support expenses

	Note	Six months ended 30 June	
		2023 Million	2022 Million
Maintenance, operation support and related expenses		94,502	87,141
Power and utilities expenses		21,191	25,202
Charges for use of tower assets	(i)	12,821	13,512
Charges for use of lines and network assets and other assets	(ii)	10,269	7,407
Others		4,743	4,932
		<u>143,526</u>	<u>138,194</u>

Note:

- (i) Charges for use of tower assets include the non-lease components charges (maintenance, certain ancillary facilities usage and related support services) for use of telecommunications towers and variable lease payments not based on an index or a rate, which are recorded in profit or loss as incurred.
- (ii) Charges for use of lines and network assets and other assets mainly include the non-lease components charges and the lease components charges for lease contracts that are exempted from recognition of right-of-use assets and lease liabilities, such as short-term lease payments, lease payments of low-value assets and variable lease payments not based on an index or a rate, which are recorded in profit or loss as incurred.

7 Other operating expenses

	Six months ended 30 June	
	2023	2022
	Million	Million
Interconnection	11,340	10,676
Expected credit impairment losses	7,501	5,223
Net loss on disposal and write-off of property, plant and equipment	169	233
Co-research and development expenses	2,234	2,369
Taxes and surcharges	1,474	1,464
Others	6,418	5,847
	<u>29,136</u>	<u>25,812</u>

8 Interest and other income

	Six months ended 30 June	
	2023	2022
	Million	Million
Interest income	3,836	5,543
Net gains on hold/disposal of financial assets	7,537	3,316
	<u>11,373</u>	<u>8,859</u>

9 Taxation

		Six months ended 30 June	
		2023	2022
	Note	Million	Million
Current tax			
Provision for enterprise income tax in the mainland of China and other countries and regions on the estimated assessable profits for the period	(i)	23,588	22,840
Provision for Hong Kong profits tax on the estimated assessable profits for the period	(ii)	335	280
		23,923	23,120
Deferred tax			
Origination and reversal of temporary differences, net		(1,484)	(2,108)
		22,439	21,012

Note:

- (i) The provision for enterprise income tax in the mainland of China and other countries and regions has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the regions in which the Group operates. The Company's subsidiaries operate mainly in the mainland of China. The provision for the PRC enterprise income tax is based on the statutory tax rate of 25% (for the six months ended 30 June 2022: 25%) on the estimated assessable profits determined in accordance with the relevant income tax rules and regulations of the PRC for the six months ended 30 June 2023. Certain subsidiaries of the Company entitle to the preferential tax rate of 15% (for the six months ended 30 June 2022: 15%), and certain research and development costs of the Company's PRC subsidiaries are qualified for 100% (for the six months ended 30 June 2022: 75%) additional deduction for tax purpose.
- (ii) The provision for Hong Kong profits tax is calculated at 16.5% (for the six months ended 30 June 2022: 16.5%) of the estimated assessable profits for the six months ended 30 June 2023.
- (iii) Pursuant to the "Notice regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management" issued by SAT in 2009 ("2009 Notice"), the Company is qualified as a PRC offshore-registered resident enterprise. Accordingly, the dividend income of the Company from its subsidiaries in the PRC is exempted from PRC enterprise income tax.

10 Earnings Per Share

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2023 is based on the profit attributable to equity shareholders of the Company of RMB76,173 million (for the six months ended 30 June 2022: RMB70,275 million) and the weighted average number of 21,368,063,583 shares in issue during the period (for the six months ended 30 June 2022: 21,335,565,066 shares).

(b) Diluted earnings per share

For the six months ended 30 June 2023 and 2022, the Group has considered the impact from the following factors when calculating diluted earnings per share:

- (i) Convertible bonds issued by an associate of the Group (“CB”) that were outstanding during the periods;
- (ii) Share options issued by the Company that were outstanding during the periods;
- (iii) The RMB Shares publicly offered but had yet to be listed on the SHEX during the preceding period; and
- (iv) The over-allotment option that was outstanding during the preceding period.

Of the above, the first two factors had dilutive effects for the six months ended 30 June 2023 but not 2022. In particular, (i) the assumed conversion of the CB would have decreased the profit attributable to equity shareholders of the Company (for the six months ended 30 June 2022: increased), and (ii) to the extent that the performance conditions would have been satisfied if the end of the period were the end of the performance period, the exercise price of the relevant share options were below the average market price of the Company’s ordinary shares on the HKEX during the period those share options were outstanding (for the six months ended 30 June 2022: above).

The third factor had no dilutive effect during the preceding period, as (iii) the offer price of the RMB Shares was not lower than its fair value during the period from the beginning of the preceding period to the completion date of the listing on the SHEX.

The fourth factor had a dilutive effect during the preceding period, as (iv) the exercise price of the over-allotment option was lower than the average market price of the RMB Shares during the exercisable period.

For the six months ended 30 June 2023, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB76,070 million and the weighted average number of 21,397,822,194 shares after adjusting for the effect of all dilutive potential ordinary shares during the period.

	For the six months ended 30 June 2023 Million
Profit attributable to equity shareholders of the Company used in calculating basic earnings per share	76,173
Add: changes in share of profit of the associate	113
Less: fair value gain and interest income relating to the CB held by the Group, net of tax	(216)
	<hr/>
Profit attributable to equity shareholders of the Company used in calculating diluted earnings per share	76,070
	<hr/> <hr/>

As the dilutive effects on earnings per share resulting from the assumed conversion of the CB and the deemed issue of shares under the Company’s share options scheme were negligible, therefore diluted earnings per share were the same as basic earnings per share.

For the six months ended 30 June 2022, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB70,275 million and the weighted average number of 21,335,665,605 shares after adjusting for the effect of all dilutive potential ordinary shares during the period. As the dilutive effect on earnings per share resulting from the assumed exercise of over-allotment option was negligible, therefore diluted earnings per share were the same as basic earnings per share.

11 Dividends

(a) Dividends attributable to the period

	Six months ended 30 June	
	2023	2022
	Million	Million
Ordinary interim dividend declared after the balance sheet date of HK\$2.430 (equivalent to approximately RMB2.240) (2022: HK\$2.200 (equivalent to approximately RMB1.881)) per share	<u>47,887</u>	<u>40,192</u>

As the proposed ordinary interim dividend in Hong Kong dollar was declared after the balance sheet date, such dividend is not recognized as liability as at 30 June 2023. In case of any change in the total number of issued shares of the Company between the date of approval for these financial statements and the record date for the implementation of the 2023 interim dividend, the Company intends to keep the amount of dividend per share unchanged and adjust the total amount of profit distribution accordingly.

(b) Dividends attributable to the previous financial year, approved and paid during the period

	Six months ended 30 June	
	2023	2022
	Million	Million
Ordinary final dividend in respect of the previous financial year, approved and paid during the period, of HK\$2.210 (equivalent to approximately RMB1.974) (2022: HK\$2.430 (equivalent to approximately RMB1.987)) per share	<u>43,414</u>	<u>44,594</u>

The proposed/approved ordinary interim dividend/ordinary final dividend per share, which is declared in Hong Kong dollar, is translated into RMB for disclosure with reference to the exchange rate announced by the State Administration of Foreign Exchange in the PRC on 30 June 2023 and 30 December 2022 (2022: 30 June 2022 and 31 December 2021), respectively.

In accordance with the 2009 Notice and the PRC enterprise income tax law, the Company is required to withhold enterprise income tax equal to 10% of any dividend, when it is distributed to non-resident enterprise shareholders whose names appeared on the Company's register of members for shares listed on the HKEX, as at the record date for such dividend, and who were not individuals.

12 Property, Plant and Equipment and Construction in Progress

For the six months ended 30 June 2023, the Group acquired items of property, plant and equipment and construction in progress with an aggregate cost of RMB80,536 million (for the six months ended 30 June 2022: RMB91,576 million) and the depreciation of property, plant and equipment recognized in unaudited condensed consolidated statement of comprehensive income was RMB85,623 million (for the six months ended 30 June 2022: RMB82,190 million).

13 Accounts Receivable

Aging analysis of accounts receivable, net of loss allowance is as follows:

	As at 30 June 2023 Million	As at 31 December 2022 Million
Base on invoice date:		
Within 30 days	20,423	14,580
31–60 days	6,223	4,197
61–90 days	7,116	3,658
91 days – 1 year	29,558	15,033
Over 1 year	5,244	2,777
	68,564	40,245

The accounts receivable of the Group are primarily comprised of receivables due from customers and other telecommunications operators. Accounts receivable from customers are spread among an extensive number of customers and the majority of the receivables from individual customers are due for payment within one month from the date of billing. For corporate customers, the credit period grants by the Group is based on the service contract terms, normally not exceeding 1 year.

14 Accounts Payable

Accounts payable primarily include payables for expenditure of network expansion, maintenance and support expenses and interconnection expenses, etc.

The aging analysis of accounts payable is as follows:

	As at 30 June 2023 Million	As at 31 December 2022 Million
Base on invoice date:		
Within 180 days	99,196	93,269
181 days – 1 year	36,710	26,253
Over 1 year	34,435	37,014
	<u>170,341</u>	<u>156,536</u>

All of the accounts payable are expected to be settled within one year or are repayable on demand.

15 Capital Commitments

The Group's capital expenditure contracted for as at the balance sheet dates but not provided for in the unaudited condensed consolidated interim financial information were as follows:

	As at 30 June 2023 Million	As at 31 December 2022 Million
Land and buildings	2,940	2,205
Telecommunications equipment and others	29,409	27,552
	<u>32,349</u>	<u>29,757</u>

16 Events After the Reporting Period

After the balance sheet date, the Board of Directors proposed an ordinary interim dividend. Further details are disclosed in note 11.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee reviewed with management the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2023 and the accounting principles and practices adopted by the Group, and discussed auditing, internal control, financial report and other matters.

COMPLIANCE WITH THE CODE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

For the six months ended 30 June 2023, the Company complied with all the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Hong Kong Listing Rules to regulate the directors' securities transactions. All directors have confirmed, following specific enquiry by the Company, that they had complied with the required standard set out in the Model Code throughout the period from 1 January 2023 to 30 June 2023.

CLOSURE OF REGISTER OF MEMBERS FOR HONG KONG SHARES

The Board of Directors of the Company declared an interim dividend of HK\$2.43 per share (before withholding and payment of PRC enterprise income tax) for the six months ended 30 June 2023 (the "**2023 Interim Dividend**") to the shareholders of the Company.

The register of members of the Company for the shares in the Company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Shares**") will be closed from Tuesday, 5 September 2023 to Friday, 8 September 2023 (both days inclusive) for the purpose of ascertaining entitlement of holders of Hong Kong Shares to the 2023 Interim Dividend. In order to qualify for the 2023 Interim Dividend, all transfers of Hong Kong Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 4 September 2023. The 2023 Interim Dividend will be paid on or about Monday, 25 September 2023 to those holders of Hong Kong Shares on the register of members on Friday, 8 September 2023 (the "**Record Date**").

WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISES IN RESPECT OF 2023 INTERIM DIVIDEND

Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China” (the “**Enterprise Income Tax Law**”), the “Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China” and the “Notice regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management”, the Company is required to withhold and pay 10 per cent. enterprise income tax on the distribution of the 2023 Interim Dividend to non-resident enterprise holders of Hong Kong Shares. The withholding and payment obligation lies with the Company. In respect of all holders of Hong Kong Shares whose names appear on the Company’s register of members as at the Record Date who are not individuals (including HKSCC Nominees Limited (“**HKSCC**”), other corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as non-resident enterprise holders of Hong Kong Shares), the Company will distribute the 2023 Interim Dividend after deducting enterprise income tax of 10 per cent.. The Company will not withhold and pay the individual income tax in respect of the 2023 Interim Dividend payable to any natural person holders of Hong Kong Shares whose names appear on the Company’s register of members as at the Record Date.

If any resident enterprise (as defined in the Enterprise Income Tax Law) holder of Hong Kong Shares listed on the Company’s register of members which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire to have the Company withhold and pay the said 10 per cent. enterprise income tax, it shall lodge with Hong Kong Registrars Limited documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the dividend to which it is entitled not later than 4:30 p.m. on Monday, 4 September 2023.

Investors who invest in Hong Kong Shares through the Shanghai Stock Exchange or the Shenzhen Stock Exchange (the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect investors), whether natural persons or enterprises, are investors who hold Hong Kong Shares through HKSCC, and in accordance with the above requirements, the Company will pay to HKSCC the amount of the 2023 Interim Dividend after withholding for payment the 10 per cent. enterprise income tax.

Investors should read this announcement carefully. If anyone would like to change the identity of the holders of Hong Kong Shares in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for non-resident enterprise holders of Hong Kong Shares strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company’s register of members on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the holders of Hong Kong Shares or any disputes over the mechanism of withholding and payment of enterprise income tax.

PUBLICATION OF 2023 INTERIM RESULTS AND 2023 INTERIM REPORT

This announcement is published on the HKEXnews website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://www.chinamobileltd.com>. The 2023 Interim Report will be despatched to holders of Hong Kong Shares and be available on the aforesaid websites.

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.