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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)**

### **CONTINUING CONNECTED TRANSACTIONS**

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The Board announces that on 14 November 2023:

- (i) the Company and CMCC entered into the 2024 Telecommunication Facilities Construction Services Extension Letter to renew the 2020 Telecommunication Facilities Construction Services Agreement according to its terms for a term of one year commencing on 1 January 2024, to govern the continuing connected transactions relating to the provision of telecommunications project planning, design and consultation, construction and maintenance services by the Group to CMCC and its subsidiaries;
- (ii) the Company and CMCC entered into the 2024 Telecommunications and Information Services Agreement for a term of one year commencing on 1 January 2024, to govern the continuing connected transactions between the parties relating to the provision of telecommunications and information services to each other; and
- (iii) CMC and Venustech entered into the 2024 Business Collaboration Framework Agreement for a term of one year commencing on 1 January 2024, to govern the continuing connected transactions between the parties relating to the sale of products and provision of services to each other currently governed by the 2023 Business Collaboration Framework Agreement.

## **HONG KONG LISTING RULES IMPLICATIONS**

CMCC is the ultimate controlling shareholder of the Company and hence a connected person of the Company. Accordingly, the transactions contemplated under the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) and the 2024 Telecommunications and Information Services Agreement will constitute continuing connected transactions for the Company under Rule 14A.25 of the Hong Kong Listing Rules.

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 23.08% 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 approval from the China Securities Regulatory Commission and has not been completed yet. 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 2024 Business Collaboration Framework Agreement will constitute continuing connected transactions for the Company under Rule 14A.25 of the Hong Kong Listing Rules.

Since both the 2024 Telecommunications and Information Services Agreement and the 2024 Business Collaboration Framework Agreement relate to the provision of information and communications technology products and services between the Group and CMCC or its associates (from completion of the Subscription in relation to the 2024 Business Collaboration Framework Agreement), the transactions contemplated under these two agreements should be aggregated for the purpose of calculating the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio set out in Rule 14.07 of the Hong Kong Listing Rules calculated in respect of each of (i) the annual cap for the services charges receivable by the Group under the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) and (ii) the annual caps for sale of products and provision of services between the Group and connected persons under the 2024 Telecommunications and Information Services Agreement and the 2024 Business Collaboration Framework Agreement on an aggregate basis exceeds 0.1% but is below 5%, such transactions are classified as continuing connected transactions under Rule 14A.76(2) of the Hong Kong Listing Rules, 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 2020 Telecommunication Facilities Construction Services Agreement (as renewed), the 2024 Telecommunications and Information Services Agreement and the 2024 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.

Reference is made to the announcements dated 6 January 2023 and 23 March 2023 of the Company where the Company announced, among others, that (i) the Company and CMCC agreed to renew the 2020 Telecommunication Facilities Construction Services Agreement according to its terms for a term of one year commencing on 1 January 2023; and (ii) CMC and Venustech entered into the 2023 Business Collaboration Framework Agreement for a term of one year commencing on 1 January 2023.

## **CONTINUING CONNECTED TRANSACTIONS**

### **Renewal of the 2020 Telecommunication Facilities Construction Services Agreement**

The Company and CMCC entered into the 2020 Telecommunication Facilities Construction Services Agreement on 2 January 2020 to govern the provision of telecommunications project planning, design and consultation services, telecommunications project construction services, and maintenance services in respect of telecommunication facilities and equipment by the Group to CMCC and its subsidiaries. The initial term of the 2020 Telecommunication Facilities Construction Services Agreement expired on 31 December 2020. The Company and CMCC agreed to renew the 2020 Telecommunication Facilities Construction Services Agreement on 8 January 2021, 3 January 2022 and 6 January 2023 for terms of one year commencing on 1 January 2021, 2022 and 2023, respectively. As the Group intends to continue carrying out the transactions contemplated under the 2020 Telecommunication Facilities Construction Services Agreement in its ordinary and usual course of business and

such agreement will expire on 31 December 2023, the Company and CMCC entered into the 2024 Telecommunication Facilities Construction Services Extension Letter to renew the 2020 Telecommunication Facilities Construction Services Agreement according to its terms for a term of one year commencing on 1 January 2024.

Date	:	14 November 2023
Parties	:	CMCC the Company
Duration	:	One year, expiring 31 December 2024
Services to be provided by the Group to CMCC and its subsidiaries	:	(i) Telecommunications project planning, design and consultation services; (ii) telecommunications project construction services; and (iii) maintenance services in respect of telecommunication facilities and equipment.
Pricing term	:	The provision of telecommunication facilities construction services by the Group to CMCC and its subsidiaries in respect of individual projects will be subject to public tender process. The selection of contractor in the public tender process will be based on a number of factors including price, technical skills and overall capability, and the telecommunication facilities construction services charges will be determined in such public tender process. The pricing for the telecommunication facilities construction services will be primarily based on market rates as determined through the public tender process, and the relevant standards laid down in applicable regulations including “Budgets for Buildings and Buildings Complex Cabling System, Budgets for Installation of Mobile Telecommunications Equipment (as amended) (Xin Bu Gui [2000] No. 904)” 《建築與建築群綜合布線系統預算定額、安裝移動通信設備預算定額(修訂)》(信部規[2000]904號), “Notice on Further Relaxation on Professional Services Charges for Construction Projects (Fa Gai Jia Ge [2015] No. 299)” 《進一步放開建設項目專業服務價格的通知》(發改價格[2015]299號) and “Notice on the Publication of Budgets, Fee Rates and Budget Planning Procedures for Information and Telecommunications Construction Projects (Gong Xin Bu Tong Xin [2016] No. 451)” 《關於印發信息通信建設工程預算定額、工程費用定額及工程概預算編製規程的通知》(工信部通信[2016]451號) will be complied with. For individual projects not subject to the public tender process, selection criteria and pricing mechanism similar to those in a public tender process will be applied.

Payment term : Services charges for telecommunications project planning, design and consultation services will be payable by instalments or upon completion of provision of services. Services charges for telecommunications project construction services will be payable in cash by instalments, typically with 10% payable upon signing of relevant engagement, 70% over the course of the construction and the remaining amount payable upon completion and acceptance of the project. Services charges for maintenance services in respect of telecommunication facilities and equipment will be payable monthly.

Historical and existing annual caps for services charges receivable by the Group from CMCC and its subsidiaries	<b>For the year ended 31 December 2022</b>	<b>For the year ending 31 December 2023</b>
	RMB2,000 million (approximately HK\$2,176 million)	RMB2,500 million (approximately HK\$2,720 million)

Historical services charges received by the Group from CMCC and its subsidiaries	<b>For the year ended 31 December 2022</b>	<b>For the nine months ended 30 September 2023</b>
	RMB1,859 million (approximately HK\$2,023 million)	RMB1,148 million (approximately HK\$1,249 million)

Annual cap for services charges receivable by the Group from CMCC and its subsidiaries for the year ending 31 December 2024 : RMB2,500 million (approximately HK\$2,720 million)

Reasons for transactions and annual cap : In light of the development of information infrastructure in the PRC telecommunications industry, there are a number of telecommunications projects of CMCC which will be available for public tender and given the Group's technical skills and overall capability, there are a number of telecommunications projects of CMCC which may require the Group's services, including telecommunications project investigation, design and construction as well as maintenance in respect of telecommunication facilities and equipment. Considering that the scale of services that are suitable for the Group to provide in 2024 under the investment plan for 2024 adopted by CMCC is comparable to that in 2023, it is expected that the telecommunication facilities construction services charges receivable by the Group from CMCC and its subsidiaries for the year ending 31 December 2024 will be around the same level as that for the year ending 31 December 2023.

## 2024 Telecommunications and Information Services Agreement

The Company and CMCC entered into the 2024 Telecommunications and Information Services Agreement for a term of one year commencing on 1 January 2024, pursuant to which the Company and its subsidiaries on the one hand and CMCC and its subsidiaries on the other will provide each other with telecommunications and information services including basic telecommunications services, value-added telecommunications services, system integration, technology development services, research and development, business support services, and interconnection arrangements, through basic telecommunications networks, data platforms and internet platforms, etc.

Date	:	14 November 2023
Parties	:	CMCC the Company
Duration	:	One year, expiring 31 December 2024
Scope of telecommunications and information services to be provided by each party and its subsidiaries	:	Telecommunications and information services including basic telecommunications services, value-added telecommunications services, system integration, technology development services, research and development, business support services, and interconnection arrangements.
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 to 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>	<b>For the nine months ended 30 September 2023</b>
Sale of products and provision of services by the Group to CMCC and its subsidiaries	RMB621 million (approximately HK\$676 million)	RMB210 million (approximately HK\$229 million)
Sale of products and provision of services by CMCC and its subsidiaries to the Group	RMB466 million (approximately HK\$507 million)	RMB315 million (approximately HK\$343 million)
Annual caps :		<b>For the year ending 31 December 2024</b>
Sale of products and provision of services by the Group to CMCC and its subsidiaries		RMB1,000 million (approximately HK\$1,088 million)
Sale of products and provision of services by CMCC and its subsidiaries to the Group		RMB800 million (approximately HK\$870 million)
Reasons for transactions and annual caps :	<p>The Group provides communications and information services across the Customer, Home, Business and New markets. CMCC and its subsidiaries require voice, data, broadband, dedicated lines, system integration and other services. At the same time, CMCC and its subsidiaries have an advantage in their system integration, Internet of Vehicles, high-precision positioning, mobile finance and other product and service offerings. As the Group on the one hand and CMCC and its subsidiaries on the other each possess high standards of technical and comprehensive capabilities, they provide telecommunications and information services to each other. Having regard to the state of development of the communications market, as well as the parties' business needs and service capabilities, it is expected that the scale of sale of products and provision of services between the parties will remain relatively stable in 2024.</p>	

## 2024 Business Collaboration Framework Agreement

As the 2023 Business Collaboration Framework Agreement will expire on 31 December 2023, and CMC and its subsidiaries on the one hand and Venustech and its subsidiaries on the other intend to continue to procure products and services from each other, CMC and Venustech entered into the 2024 Business Collaboration Framework Agreement for a term of one year commencing on 1 January 2024, pursuant to which CMC and its subsidiaries will provide information and communications technology services and products to Venustech and its subsidiaries and, at the same time, procure network security software and hardware products and related services from Venustech and its subsidiaries.

Date	:	14 November 2023
Parties	:	CMC Venustech
Duration	:	One year, expiring 31 December 2024
Products and services to be provided by each party and its subsidiaries	:	CMC and its subsidiaries will provide information and communications technology services and products to Venustech and 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 and its subsidiaries will supply the following products and services to CMC and 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 2024 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 to 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>	<b>For the nine months ended 30 September 2023</b>
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Sale of products and provision of services by CMC and its subsidiaries to Venustech and its subsidiaries	RMB3 million (approximately HK\$3 million)	RMB20 million (approximately HK\$22 million)
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Sale of products and provision of services by Venustech and its subsidiaries to CMC and its subsidiaries	RMB140 million (approximately HK\$152 million)	RMB190 million (approximately HK\$207 million)
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Existing annual caps :	<b>For the year ending 31 December 2023</b>
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Sale of products and provision of services by CMC and its subsidiaries to Venustech and its subsidiaries	RMB50 million (approximately HK\$54 million)
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Sale of products and provision of services by Venustech and its subsidiaries to CMC and its subsidiaries	RMB1,450 million (approximately HK\$1,578 million)
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Annual caps : **For the year ending  
31 December  
2024**

Sale of products and provision of services by CMC and its subsidiaries to Venustech and its subsidiaries RMB200 million (approximately HK\$218 million)

Sale of products and provision of services by Venustech and its subsidiaries to CMC and its subsidiaries RMB1,800 million (approximately HK\$1,959 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 to the Customer, Home, Business 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 in 2024.

## **HONG KONG LISTING RULES IMPLICATIONS**

CMCC is the ultimate controlling shareholder of the Company and hence a connected person of the Company. Accordingly, the transactions contemplated under the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) and the 2024 Telecommunications and Information Services Agreement will constitute continuing connected transactions for the Company under Rule 14A.25 of the Hong Kong Listing Rules.

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 23.08% 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 approval from the China Securities Regulatory Commission and has not been completed yet. 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 2024 Business Collaboration Framework Agreement will constitute continuing connected transactions for the Company under Rule 14A.25 of the Hong Kong Listing Rules.

Since both the 2024 Telecommunications and Information Services Agreement and the 2024 Business Collaboration Framework Agreement relate to the provision of information and communications technology products and services between the Group and CMCC or its associates (from completion of the Subscription in relation to the 2024 Business Collaboration Framework Agreement), the transactions contemplated under these two agreements should be aggregated for the purpose of calculating the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio set out in Rule 14.07 of the Hong Kong Listing Rules calculated in respect of each of (i) the annual cap for the services charges receivable by the Group under the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) and (ii) the annual caps for sale of products and provision of services between the Group and connected persons under the 2024 Telecommunications and Information Services Agreement and the 2024 Business Collaboration Framework Agreement on an aggregate basis exceeds 0.1% but is below 5%, such transactions are classified as continuing connected transactions under Rule 14A.76(2) of the Hong Kong Listing Rules, 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 2020 Telecommunication Facilities Construction Services Agreement (as renewed), the 2024 Telecommunications and Information Services Agreement and the 2024 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 Group had no other prior transactions with CMCC or its associates which required aggregation with the 2020 Telecommunication Facilities Construction Services Agreement (as renewed), the 2024 Telecommunications and Information Services Agreement or the 2024 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 resolutions approving the transactions contemplated under the 2020 Telecommunication Facilities Construction Services Agreement (as renewed), the 2024 Telecommunications and Information Services Agreement and the 2024 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 2020 Telecommunication Facilities Construction Services Agreement (as renewed), the 2024 Telecommunications and Information Services Agreement and the 2024 Business Collaboration Framework Agreement were renewed or entered into (as the case may be) on an arm's length basis between the parties thereto, reflect normal commercial terms and are 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**

CMCC is a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder of the Company, and directly and indirectly holds approximately 69.74% of the total number of issued shares of the Company. Through the Group, CMCC is the leading information and communications technology services provider in the mainland of 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. CMC is a wholly-owned subsidiary of the Company that provides network and business coordination center services in China.

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 RMB0.91902 = HK\$1.00. The translations are not representations that Renminbi and Hong Kong dollars could actually be converted at such rate, if at all.

In this announcement, references to applicable percentage ratios set out in 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:

“2020 Telecommunication Facilities Construction Services Agreement”	the 2020 telecommunication facilities construction services agreement dated 2 January 2020 and entered into between the Company and CMCC, as renewed from time to time
“2023 Business Collaboration Framework Agreement”	the 2023 business collaboration framework agreement dated 23 March 2023 and entered into between CMC and Venustech
“2024 Business Collaboration Framework Agreement”	the 2024 business collaboration framework agreement dated 14 November 2023 and entered into between CMC and Venustech
“2024 Telecommunication Facilities Construction Services Extension Letter”	the 2024 telecommunication facilities construction services extension letter dated 14 November 2023 and entered into between the Company and CMCC
“2024 Telecommunications and Information Services Agreement”	the 2024 telecommunications and information services agreement dated 14 November 2023 and entered into between the Company and CMCC
“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 Co., Ltd., 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, 14 November 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.*