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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

Reference is made to the announcements dated 3 January 2022 and 6 January 2023 of the Company where the Company announced, among others, that the Company and CMCC entered into (i) the 2022-2024 Machinery Rooms and Transmission Pipelines Leasing Agreement for a term of three years commencing on 1 January 2022 and (ii) the 2023 Power Support and Other Network Assets and Resources Leasing Agreement for a term of one year commencing on 1 January 2023.

The Board announces that on 5 January 2024, the Company and CMCC entered into the 2024 Power Support and Other Network Assets and Resources Leasing Agreement for a term of one year, expiring on 31 December 2024, to govern the continuing connected transactions between the parties relating to the lease of power support and other network assets and resources to each other previously governed by the 2023 Power Support and Other Network Assets and Resources Leasing Agreement.

2024 POWER SUPPORT AND OTHER NETWORK ASSETS AND RESOURCES LEASING AGREEMENT

As the 2023 Power Support and Other Network Assets and Resources Leasing Agreement expired on 31 December 2023, and the Company and its subsidiaries on the one hand and CMCC and its subsidiaries on the other intend to continue to lease their respective power support and other network assets and resources to each other, the Company and CMCC entered into the 2024 Power Support and Other Network Assets and Resources Leasing Agreement for a term of one year, expiring on 31 December 2024, pursuant to which the Company and its subsidiaries on the one hand and CMCC and its subsidiaries on the other will lease their respective network assets and resources including power generation and power distribution equipment, international submarine cables and satellites to each other in return for leasing fees.

Date	:	5 January 2024
Parties	:	CMCC the Company
Duration	:	One year, expiring on 31 December 2024
Scope of assets to be leased to or from each party and its subsidiaries	:	Network assets and resources including power generation and power distribution equipment, international submarine cables and satellites.
Pricing term	:	The network assets and resources leasing fees will be determined with reference to prevailing market rates. In determining the market rates for the leasing fees, the Company will take into account the levels of fees paid by the Company and CMCC to independent third parties (including other operators) as well as those received by the Company and CMCC from independent third parties (including other operators). The leasing fees payable by the Company to CMCC will not be more than the leasing fees charged to independent third parties for the same kinds of network assets.
Payment term	:	The network assets and resources leasing fees will be payable in cash monthly.

Historical annual caps	:	For the year ended 31 December 2022	For the year ended 31 December 2023
		Leasing fees payable by the Group to CMCC and its subsidiaries	RMB6,500 million (approximately HK\$7,148 million)
			RMB9,500 million (approximately HK\$10,447 million)
Historical transaction amounts	:	For the year ended 31 December 2022	For the nine months ended 30 September 2023
		Leasing fees paid by the Group to CMCC and its subsidiaries	RMB5,417 million (approximately HK\$5,957 million)
		Leasing fees received by the Group from CMCC and its subsidiaries	RMB5,438 million (approximately HK\$5,980 million)
			Each of the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules is below 0.1%
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Annual cap	:		For the year ending 31 December 2024
		Leasing fees payable by the Group to CMCC and its subsidiaries	RMB11,500 million (approximately HK\$12,646 million)
		Leasing fees receivable by the Group from CMCC and its subsidiaries	Each of the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules is expected to be below 0.1%
Reasons for transactions and annual cap	:	To better meet its business development needs, it is expected that the scale of satellite communication, power support and other network assets and resources to be leased by the Group from CMCC and its subsidiaries will increase in 2024. The overall amount of leasing fees payable by the Group to CMCC and its subsidiaries for network assets and resources will also 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 2024 Power Support and Other Network Assets and Resources Leasing Agreement constitute continuing connected transactions for the Company under Rule 14A.25 of the Hong Kong Listing Rules.

On 3 January 2022, the Company and CMCC entered into the 2022-2024 Machinery Rooms and Transmission Pipelines Leasing Agreement for a term of three years commencing on 1 January 2022, to govern the continuing connected transactions between the parties relating to the lease of machinery rooms and transmission pipelines to each other. Since both the 2024 Power Support and Other Network Assets and Resources Leasing Agreement and the 2022-2024 Machinery Rooms and Transmission Pipelines Leasing Agreement relate to the leasing of network assets between the same parties, 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 the annual cap for the leasing fees payable by the Group under the 2024 Power Support and Other Network Assets and Resources Leasing Agreement (as aggregated with the total value of right-of-use assets recognizable by the Group pursuant to the lease of network assets under the 2022-2024 Machinery Rooms and Transmission Pipelines Leasing Agreement) 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 2024 Power Support and Other Network Assets and Resources Leasing 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 2024 Power Support and Other Network Assets and Resources Leasing 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 2024 Power Support and Other Network Assets and Resources Leasing 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 2024 Power Support and Other Network Assets and Resources Leasing Agreement was entered into on an arm's length basis between the Company and CMCC, reflects normal commercial terms and is in the interests of the Company and its shareholders as a whole, the transactions thereunder are in the ordinary and usual course of business of the Group, and the terms as well as the annual cap for the transactions thereunder is 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 69.81% 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.

This announcement contains translations between Renminbi and Hong Kong dollars at RMB0.90939 = 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:

“2022-2024 Machinery Rooms and Transmission Pipelines Leasing Agreement”	the 2022-2024 machinery rooms and transmission pipelines leasing agreement dated 3 January 2022 and entered into between the Company and CMCC
“2023 Power Support and Other Network Assets and Resources Leasing Agreement”	the 2023 power support and other network assets and resources leasing agreement dated 6 January 2023 and entered into between the Company and CMCC
“2024 Power Support and Other Network Assets and Resources Leasing Agreement”	the 2024 power support and other network assets and resources leasing agreement dated 5 January 2024 and entered into between the Company and CMCC
“Board”	the board of Directors 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
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By Order of the Board
China Mobile Limited
Yang Jie
Chairman

Hong Kong, 5 January 2024

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.