



PRESS RELEASE

For Immediate Release

CHINA MOBILE ANNOUNCES 2017 ANNUAL RESULTS Outstanding operating results with effective strategy implementation

Highlights

- Industry-leading revenue growth rate with stable-to-rising profitability
- Solidly implemented the “Big Connectivity” strategy with the “four growth engines” achieving remarkable results
- Constantly enhancing sustainability with an ongoing boost to investment efficiency
- Continuously creating value for shareholders with 2017 full-year dividend payout ratio rising to 48%

Operating Performance

	2017	2016	Change
Operating revenue (RMB million)	740,514	708,421	+4.5%
Of which: Revenue from telecommunications services (RMB million)	668,351	623,422	+7.2%
EBITDA (RMB million) ¹	270,421	256,677	+5.4%
Profit attributable to equity shareholders (RMB million)	114,279	108,741	+5.1%
Basic earnings per share (RMB)	5.58	5.31	+5.1%
Dividend per share (HK\$)	6.405²	2.732	---
Total mobile customers (million)	887.20	848.90	+4.5%
Of which: 4G customers (million)	649.51	535.04	+21.4%
Mobile ARPU (RMB)	57.7	57.5	+0.3%
Total wireline broadband customers (million)	112.69	77.62	+45.2%
Of which: Household broadband customers (million)	109.40	74.46	+46.9%
Household broadband blended ARPU (RMB)	33.3	28.3	+17.5%
IoT smart connections (million)	229	103	+122.0%

1. The Company defines EBITDA as profit for the year before taxation, share of profit of investments accounted for using the equity method, finance costs, interest income, other gains, depreciation and amortization of other intangible assets.

2. An interim dividend of HK\$1.623 per share, a final dividend of HK\$1.582 per share and a special dividend of HK\$3.200 per share to celebrate the 20th anniversary of the Company's IPO.

(Hong Kong, 22 March 2018) – China Mobile recorded operating revenue of RMB740.5 billion for the 2017 financial year, up by 4.5% compared to the year before. Revenue growth in telecommunications services achieved a six-year high of 7.2%, outpacing the industry average. Revenue from wireless data traffic, on a full-year basis, has accounted for more than half of the total telecommunications services revenue for the first time, demonstrating a fundamental change in revenue structure. The contribution from household and corporate markets has increased and our digital services revenue has achieved favourable growth. The total

number of connections reached 1,229 million, amongst which, 887 million were mobile connections, 113 million were wireline broadband connections and 229 million were Internet of Things (IoT) smart connections.

Our profitability continued to outperform our peers. Profit attributable to equity shareholders reached RMB114.3 billion which is equivalent to basic earnings per share of RMB5.58, up by 5.1% compared to last year.

The Board recommends a final dividend payment of HK\$1.582 per share for the year ended 31 December 2017, or a full-year dividend payout ratio of 48%. Together with the interim dividend payment of HK\$1.623 per share, and a special dividend payment of HK\$3.200 per share to celebrate the 20th anniversary of our IPO paid earlier, the total dividend payment for the 2017 financial year amounted to HK\$6.405 per share.

Taking into consideration the Company's financial position, its ability to generate cash flow and its future development needs, the Company will maintain a stable dividend payout ratio for 2018 and strive to attain a stable-to-rising dividend payout ratio.

The Board believes that our industry-leading profitability and ability to generate healthy cash flow will provide sufficient support for the Company's future development while continuing to create higher value for our shareholders.

Mr. Shang Bing, Chairman of the Company commented, "In 2017, despite disruptive forces in the industry such as the rapid advancement in the information and communication technology (ICT) and significant changes in the competitive landscape of the industry, China Mobile maintained a clear focus on implementing our "Big Connectivity" strategy, anchored by the integrated development of the "four growth engines". As a result, we have made outstanding achievements on multiple fronts, sustained favourable growth momentum and bolstered our position as a market leader. Our profitability is maintained at an industry-leading level benchmarked against other world-class operators, providing us with the solid foundation for future growth. These achievements were hard-earned but a source of encouragement."

Major Developments

Riding on the broad technological advancement and our business developments, we maintained our focus on the integrated development of the "four growth engines", which had been identified as the key drivers facilitating major progress in our business transformation.

We maintained our market leading position in the personal mobile market. With a net addition of 114 million, our total number of 4G customers has reached 650 million and the 4G penetration rate of our mobile customers has reached 73%. The total handset data traffic increased by 121.3% compared to the previous year, while the average handset data traffic per user per month, or DOU, of 4G customers reached 1.76GB. The average revenue per user, or ARPU, of 4G customers reached RMB66.4. The high definition VoLTE (Voice over LTE) has been put to commercial use and achieved favourable progress with 200 million customers in total.

The household market has achieved a breakthrough in a relatively short period. Focused on offering high value services and quality products, in 2017 we sped up the development of household broadband business, boosting the total number of household broadband customers to more than 109 million, with a net addition of 34.95 million. This accounted for 75.6% of the total number of new household customers in the market during the period. The number of subscribers of our home digital set-top box "Mobaihe" has reached 57.25 million and the household broadband blended ARPU has reached RMB33.3, up by 17.5% compared to the previous year.

We continued to strengthen our corporate business. We have focused our resources on a number of key sectors such as industry, agriculture, education, public administration, finance, transportation and healthcare. At the same time we increased the marketing efforts to launch business and industry-focused solutions. We have continuously improved the efficiency of our product research and development (R&D) while expanding our product range. The number of corporate customers has reached 6.02 million. Our revenue from corporate telecommunications and informatization services exceeded 36% of the total market. Nine industry applications have generated respective annual revenues of more than RMB100 million. We realised gains in both revenue and customer market shares in the corporate market.

The development of the emerging business yielded remarkable results in the period. With a net addition of 126 million IoT smart connections in 2017, our IoT network consisted of 229 million connections. Our “and-Video” service recorded an increment of 67.2% in revenue. Our mobile payment service “and-Wallet” exceeded RMB2.1 trillion in transaction value. Relentless innovation accelerated the development of our emerging business.

Key Areas of Focus in 2018 and Future Outlook

In 2018, we will continue to actively promote the “Big Connectivity” strategy. Our development will continue to be driven by innovation, holding on to the integrated development of the “four growth engines”.

We will endeavour to consolidate our market shares of various business lines. For the mobile market, we will consolidate the market share of our customer base and maintain the market share in data traffic. For the household market, we will endeavour to increase the market share of our household broadband customers, especially in areas of low service penetration. For the corporate market, our focus will be to expand our business scale by enlarging the customer base, expediting the development of key products and the promotion of matured solutions for various sectors. For the emerging business market, we aim to seize the IoT and other relevant opportunities to significantly increase the number of IoT connections within the network.

We will reinforce our reputation for quality by maintaining the market-leading quality of our 4G network and building our brand as a top-tier household broadband service provider. In the meantime, we will enhance the service quality of our corporate business and increase the market influence of our digital products and services.

We will focus on value creation, primarily by maintaining our value with a stable-to-rising revenue growth from wireless data traffic. We aim to increase the blended ARPU of household broadband and the revenue generated from household digital services. In order to boost revenue contribution from the corporate market, we will bolster our capabilities in developing ICT integration and corporate products.

We will strive to optimise the synergies across our business, by establishing a well-coordinated operating mechanism across markets that will enhance our centralised operations capability. Efforts to coordinate our marketing initiatives will generate greater effectiveness in the discipline. More focus will be placed on promoting the reuse of resources and experience sharing in order to enhance operating efficiency and effectiveness.

We will continue to implement innovation-driven development by increasing the layout of new infrastructure. We will pursue research on cutting-edge technologies, lead the establishment of international standards for core technologies, which will in turn increase our influence on the global stage. In critical fields, we will develop our core capabilities and proprietary products and establish an open and shared ecosystem. We will also conceive vertical expansion strategies, empowering players in the real economy with effective access to communications technology that will help them move up the value chain.

In terms of our performance forecast for 2018, value creation will remain the ultimate purpose and yardstick for evaluation. Under the circumstances of a predictable policy environment, the company will strive to achieve a growth rate of telecommunications services revenue above the industry average on a comparable basis, ongoing growth in profit scale, continued decrease in capital expenditure and the total number of connections exceeding 1.4 billion in 2018.

Mr. Shang Bing, Chairman of the Company commented, “Globally, economic activity is undergoing an accelerated shift towards being enabled by cyber information technology. Wider socio-economic development is experiencing profound change alongside the ICT industry. Taking a macro perspective on the current status of the industry, we see rare growth opportunities co-existing with formidable challenges. From now until 2020 is the critical period for us to achieve our goal of “doubling the connection scale of 2015 and becoming a world-leading operator in digital innovation”. As we stand at this inflection point, we have the responsibility to contemplate the future and set our development objectives and plans, that will lay a solid foundation for the Company’s transformation in the new era.”

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Forward-looking statements

Certain statements contained in this press release may be viewed as “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. 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 China Mobile Limited (the “Company”) to be materially different from those implied by such forward-looking statements. In addition, we do not intend to update these forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company’s most recent Annual Report on Form 20-F filed and other filings with the U.S. Securities and Exchange Commission.