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中国移动通信
CHINA MOBILE

CHINA MOBILE LIMITED
中國移動有限公司

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

(Stock Code: 941)

Executive Directors:

Xi Guohua (*Chairman*)
Li Yue (*Chief Executive Officer*)
Xue Taohai
Huang Wenlin
Sha Yuejia
Liu Aili

Registered Office:

60th Floor
The Center
99 Queen's Road Central
Hong Kong

Independent Non-executive Directors:

Lo Ka Shui
Frank Wong Kwong Shing
Moses Cheng Mo Chi

27 March 2013

To the shareholders

Dear Sir or Madam,

The purpose of this circular is to give you information on certain proposed ordinary resolutions set out in the notice of the annual general meeting (the “**AGM Notice**”) of China Mobile Limited (the “**Company**”) dated 27 March 2013. They are: (i) renewal of the general mandate for repurchase of Shares as set out in item 5 of the AGM Notice; and (ii) proposed appointment of auditor of the Company for the financial year ended 31 December 2013 as set out in item 4 of the AGM Notice. Reference in this document to “**Shares**” means share(s) of all classes in the capital of the Company.

(1) GENERAL MANDATE TO REPURCHASE SHARES

This is the explanatory statement required to be sent to shareholders under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in connection with the proposed ordinary resolution set out in item 5 of the AGM Notice for the approval of the renewal of the general mandate for repurchase of shares. This document also constitutes the memorandum required under section 49BA of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

Exercise of the Repurchase Mandate

Whilst the directors of the Company (the “**Directors**”) do not presently intend to repurchase any Shares immediately, they believe that the flexibility afforded by the mandate granted to them if the ordinary resolution set out as item 5 of the AGM Notice (the “**Repurchase Mandate**”) is passed would be beneficial to the Company and its shareholders as a whole.

It is proposed that up to 10% of the issued and outstanding Shares on the date of the passing of the resolution to approve the Repurchase Mandate may be repurchased. As at 19 March 2013, the latest practicable date for determining such figures, 20,100,571,130 Shares were issued and outstanding. On the basis of such figures, the Directors would be authorised to repurchase up to 2,010,057,113 Shares during the period up to the date of the next annual general meeting in 2014, or the expiration of the period within which the next annual general meeting of the Company is required by law to be held, or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the shareholders at a general meeting of the Company, whichever of these three events occurs first.

Reasons for Repurchases

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

Funding of Repurchases

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company’s available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection in accordance with its memorandum and articles of association and the laws of Hong Kong, including profits otherwise available for distribution. Under the Companies Ordinance, a company’s profits available for distribution are its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 31 December 2012 dated 14 March 2013) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

Disclosure of Interests

None of the Directors, and to the best of their knowledge, having made all reasonable enquiries, none of their associates, have any present intention, if the Repurchase Mandate is approved by the shareholders of the Company, to sell any Shares to the Company or its subsidiaries.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, nor have they undertaken not to do so, if the Repurchase Mandate is approved by the shareholders of the Company.

Directors' Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

Share Repurchase Made by the Company

No repurchases of Shares have been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

Takeovers Code Consequences

If as a result of a repurchase of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). As a result, a shareholder, or group of shareholders acting in concert, depending on the level of increase of its or their shareholding, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors are aware of the consequences arising under the Takeovers Code of any repurchase.

As at 19 March 2013 (being the latest practicable date prior to the printing of this document), the immediate controlling shareholder of the Company, China Mobile Hong Kong (BVI) Limited (“CMBVI”), was recorded in the registers required to be kept by the Company under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as having an interest in 14,890,116,842 Shares, representing approximately 74.08% of the issued and outstanding share capital of the Company as at that date. In the event that the Repurchase Mandate is exercised in full and assuming that there is no change in the number of Shares held by CMBVI, the shareholding of CMBVI in the Company will be increased to approximately 82.31% of the reduced issued share capital of the Company immediately after the exercise in full of the Repurchase Mandate. The Directors are not aware of any consequences in relation to CMBVI which would arise under the Takeovers Code as a result of such share repurchase by the Company. In addition, in exercising the Repurchase Mandate (whether in full or otherwise), the Directors will ensure that the Company shall comply with the requirements of the Listing Rules, including the minimum percentage of Shares being held in public hands.

Market Prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the latest practicable date prior to the printing of this document were:

	Traded Market Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2012		
March	87.50	79.65
April	87.60	82.50
May	89.85	78.15
June	84.95	76.50
July	91.10	84.40
August	92.60	81.80
September	86.75	81.10
October	87.95	83.20
November	89.60	84.00
December	90.65	86.90
2013		
January	91.80	83.50
February	86.80	84.20
March (up to and including 19 March 2013)	85.20	80.10

Extension of Share Issue Mandate

A resolution as set out in item 7 of the AGM Notice will also be proposed at the annual general meeting authorising the Directors to increase the maximum number of new Shares which may be issued under the general mandate for the issuance and allotment of Shares by adding to it the nominal amount of any Shares repurchased pursuant to the Repurchase Mandate.

(2) PROPOSED CHANGE OF AUDITOR

China Mobile Communications Corporation, the ultimate controlling shareholder of the Company, is a state-owned enterprise regulated by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China ("**SASAC**"). Under the relevant requirements by the Ministry of Finance of the People's Republic of China and SASAC, there are certain limits to the number of years for which an auditor may continuously undertake financial auditing work in respect of a state-owned enterprise and its subsidiaries (the "**SASAC Auditor Requirements**"). In view of the SASAC Auditor Requirements, the Company has reached a mutual understanding with KPMG on the non-renewal of the appointment of KPMG, the transitional arrangements and other related matters, and agreed that after KPMG has completed the audit work in respect of the Company for the financial year ended 31 December 2012 (the "**FY 2012**"), the Company will not re-appoint KPMG as its auditor for the financial year ending 31 December 2013 ("**FY 2013**").

As recommended by the Audit Committee of the Company, the board of directors of the Company (the "**Board**") has resolved to put forward an ordinary resolution at the 2013 annual general meeting of the Company ("**2013 AGM**") to appoint PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company (to be renamed as PricewaterhouseCoopers Zhong Tian LLP) as the auditors of the Company for FY 2013 for Hong Kong financial reporting and U.S. financial reporting purposes, respectively (the proposed ordinary resolution set out in item 4 of the AGM Notice).

The Company has received a written confirmation from KPMG that there are no matters that need to be brought to the attention of the shareholders of the Company in connection with the above change. The Board confirms that there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with the above change.

During the term of the appointment of KPMG as the Company's auditor, there were no disagreements or unresolved matter between the Company and KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

The proposed appointment of auditors of the Company is subject to approval of the ordinary resolution set out in item 4 of the AGM Notice by the shareholders of the Company at the 2013 AGM.

Yours faithfully
Wong Wai Lan, Grace
Company Secretary