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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 Code: 941)

CHANGES TO CONTINUING CONNECTED TRANSACTIONS

CHANGES TO CONTINUING CONNECTED TRANSACTIONS

Reference is made to the CCT Announcements of the Company dated 15 August 2013 and 21 August 2015 and the announcement entitled “Acquisition of the Target Assets and Businesses from China Tietong Telecommunications Corporation” published by the Company on 27 November 2015.

Assuming the completion of the Acquisition takes place on 31 December 2015, the Company expects the continuing connected transactions will be adjusted as follows upon completion of the Acquisition:

- (1) (i) the existing annual cap for telecommunications service charges payable by the Group to CMCC and its subsidiaries under the 2014–2016 Telecommunications Services Agreement for the year ending 31 December 2016, being RMB9,000 million (equivalent to approximately HK\$10,917 million), will be reduced to such transaction amount which is below the de minimis level pursuant to Rule 14A.76 of the Listing Rules; and (ii) the existing annual cap for telecommunications service charges receivable by the Group from CMCC and its subsidiaries under the 2014–2016 Telecommunications Services Agreement for the year ending 31 December 2016, being RMB2,200 million (equivalent to approximately HK\$2,668 million), will be reduced to RMB1,800 million (equivalent to approximately HK\$2,183 million);
- (2) the existing annual cap for the charges payable by the Group to CMCC and its subsidiaries under the Network Assets Leasing Agreement (as renewed) for the year ending 31 December 2016, being RMB14,000 million (equivalent to approximately HK\$16,981 million), will be reduced to RMB5,500 million (equivalent to approximately HK\$6,671 million);

- (3) the existing annual cap for the charges payable by the Company to CMCC and its subsidiaries under the Telecommunications Services Cooperation Agreement (as renewed) for the year ending 31 December 2016, being RMB7,500 million (equivalent to approximately HK\$9,097 million) and the existing annual cap for the charges receivable by the Company from CMCC and its subsidiaries under the Telecommunications Services Cooperation Agreement (as renewed) for the year ending 31 December 2016, being RMB1,700 million (equivalent to approximately HK\$2,062 million) will each be reduced to such transaction amount which is below the de minimis level pursuant to Rule 14A.76 of the Listing Rules;
- (4) all the transactions between the Group, CMCC and TieTong pursuant to the Tripartite Agreement will no longer constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules upon completion of the Acquisition; and
- (5) the Board concluded on 27 November 2015 that subject to the completion of the Acquisition, the annual cap for the year ending 31 December 2016 in respect of the rental and property management service charges payable by the Company to CMCC and its subsidiaries under the 2014-2016 Property Leasing Agreement will not be sufficient and decided that the annual cap for the year ending 31 December 2016, being RMB2,400 million (equivalent to approximately HK\$2,911 million), shall increase to RMB2,800 million (equivalent to approximately HK\$3,396 million).

LISTING RULES IMPLICATIONS

TieTong is currently a wholly-owned subsidiary of CMCC and CMCC is the ultimate controlling shareholder of the Company. Thereby, each of CMCC and TieTong is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. As such, the transactions contemplated under each of the 2014–2016 Telecommunications Services Agreement, the Network Assets Leasing Agreement (as renewed), the Telecommunications Services Cooperation Agreement (as renewed), the Tripartite Agreement (as renewed) and the 2014–2016 Property Leasing Agreement constitute continuing connected transactions for the Company under Chapter 14A.25 of the Listing Rules.

Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap (as adjusted) for the amount payable by the Company under the 2014–2016 Property Leasing Agreement is, on an annual basis, above 0.1% but below 5%, the transactions contemplated thereunder is classified as a continuing connected transaction under Rule 14A.76(2) of the Listing Rules and is only subject to the reporting, annual review and announcement requirements set out in the Listing Rules but is exempt from the independent shareholders' approval requirement under the Listing Rules. Details of the 2014–2016 Property 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 Listing Rules.

CHANGES TO CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcements (collectively, the “**CCT Announcements**”) of the Company dated 15 August 2013 and 21 August 2015 in relation to the 2014–2016 Telecommunications Services Agreement, the Network Assets Leasing Agreement, the Telecommunications Services Cooperation Agreement, the Tripartite Agreement and the 2014–2016 Property Leasing Agreement and the announcement published by the Company on 27 November 2015 in relation to the Acquisition.

Assuming the completion of the Acquisition takes place on 31 December 2015, the Company expects the continuing connected transactions will be adjusted as follows upon completion of the Acquisition:

(1) Reduction in annual caps for continuing connected transactions in respect of the 2014–2016 Telecommunications Services Agreement, the Network Assets Leasing Agreement and the Telecommunications Services Cooperation Agreement

(a) 2014–2016 Telecommunications Services Agreement

On 15 August 2013, the Company entered into the 2014–2016 Telecommunications Services Agreement with CMCC. The 2014–2016 Telecommunications Services Agreement is for a term of three years commencing on 1 January 2014. The principal terms of the 2014–2016 Telecommunications Services Agreement have been previously disclosed in the CCT Announcements. As disclosed in the CCT Announcements, (i) the annual cap for the telecommunications service charges payable by the Group to CMCC and its subsidiaries under the 2014–2016 Telecommunications Services Agreement for the year ending 31 December 2016 is RMB9,000 million (equivalent to approximately HK\$10,917 million); and (ii) the annual cap for the telecommunications service charges receivable by the Group from CMCC and its subsidiaries under the 2014–2016 Telecommunications Services Agreement for the year ending 31 December 2016 is RMB2,200 million (equivalent to approximately HK\$2,668 million). Assuming the completion of the Acquisition takes place on 31 December 2015, upon the completion of the Acquisition, as the business contracts and relevant transactions between the Company and TieTong (and its subsidiaries) as contemplated under the aforementioned telecommunications services agreement will be conducted by the Group, the amount of telecommunications service charges payable by the Group to CMCC and its subsidiaries and the amount of telecommunications service charges receivable by the Group from CMCC and its subsidiaries will decrease. The Company has assessed the actual transaction amounts incurred as of the date hereof and estimates that, upon completion of the Acquisition, (i) the existing annual cap for telecommunications service charges payable by the Group to CMCC and its subsidiaries under the 2014–2016 Telecommunications Services Agreement for the year ending 31 December 2016, being RMB9,000 million (equivalent to approximately HK\$10,917 million), will be reduced to such transaction amount which is below the de minimis level pursuant to Rule 14A.76 of the Listing

Rules; and (ii) the existing annual cap for telecommunications service charges receivable by the Group from CMCC and its subsidiaries under the 2014–2016 Telecommunications Services Agreement for the year ending 31 December 2016, being RMB2,200 million (equivalent to approximately HK\$2,668 million), will be reduced to RMB1,800 million (equivalent to approximately HK\$2,183 million).

(b) *Network Assets Leasing Agreement*

On 18 August 2011, the Company entered into the Network Assets Leasing Agreement with CMCC. The initial term of the Network Assets Leasing Agreement expired on 31 December 2011, and pursuant to the terms thereof unless the parties agree otherwise, upon expiry of the term, the Network Assets Leasing Agreement shall automatically be renewed for further terms of one year. The Company and CMCC agreed to renew the Network Assets Leasing Agreement on 21 August 2015 for a term of one year commencing on 1 January 2016. The principal terms of the Network Assets Leasing Agreement have been previously disclosed in the CCT Announcements. As disclosed in the CCT Announcements, the annual cap for the leasing fees payable by the Company to CMCC and its subsidiaries under the Network Assets Leasing Agreement (as renewed) for the year ending 31 December 2016 is RMB14,000 million (equivalent to approximately HK\$16,981 million). Assuming the completion of the Acquisition takes place on 31 December 2015, upon the completion of the Acquisition, since the network assets leased by the Company's subsidiaries from TieTong and the related leasing arrangements will be transferred to the Group, the amount of leasing fees payable by the Group to CMCC and its subsidiaries will decrease significantly. The Company has assessed the actual transaction amounts incurred as of the date hereof and estimates that, upon completion of the Acquisition, the existing annual cap under the Network Assets Leasing Agreement (as renewed) for the year ending 31 December 2016, being RMB14,000 million (equivalent to approximately HK\$16,981 million), will be reduced to RMB5,500 million (equivalent to approximately HK\$6,671 million).

(c) *Telecommunications Services Cooperation Agreement*

On 6 November 2009, the Company entered into the Telecommunications Services Cooperation Agreement with CMCC. The initial term of the Telecommunications Services Cooperation Agreement expired on 31 December 2010. The Telecommunications Services Cooperation Agreement provides that upon expiry of its term, the agreement may be renewed for further terms of one year automatically if the parties so wish. The Company and CMCC agreed to renew the Telecommunications Services Cooperation Agreement on 21 August 2015 for a term of one year commencing on 1 January 2016. The principal terms of the Telecommunications Services Cooperation Agreement have been previously disclosed in the CCT Announcements. As disclosed in the CCT Announcements, (i) the annual cap for the charges payable by the Company to CMCC and its subsidiaries for the services to be provided by CMCC and its subsidiaries under the Telecommunications Services Cooperation Agreement (as renewed) for the year ending 31 December 2016 is RMB7,500 million (equivalent

to approximately HK\$9,097 million); and (ii) the annual cap for the charges receivable by the Company from CMCC and its subsidiaries for the services to be provided to CMCC and its subsidiaries under the Telecommunications Services Cooperation Agreement (as renewed) for the year ending 31 December 2016 is RMB1,700 million (equivalent to approximately HK\$2,062 million). Assuming the completion of the Acquisition takes place on 31 December 2015, upon completion of the Acquisition, as the business contracts and relevant transactions between the Company and TieTong (and its subsidiaries) as contemplated under the aforementioned telecommunications services cooperation agreement will be conducted by the Group, the amount of charges payable by the Company to CMCC and its subsidiaries and the amount of charges receivable by the Company from CMCC and its subsidiaries will decrease. The Company has assessed the actual transaction amounts incurred as of the date hereof and estimates that, upon completion of the Acquisition, the existing annual cap for the charges payable by the Company to CMCC and its subsidiaries under the Telecommunications Services Cooperation Agreement (as renewed) for the year ending 31 December 2016, being RMB7,500 million (equivalent to approximately HK\$9,097 million) and the existing annual cap for the charges receivable by the Company from CMCC and its subsidiaries under the Telecommunications Services Cooperation Agreement (as renewed) for the year ending 31 December 2016, being RMB1,700 million (equivalent to approximately HK\$2,062 million) will each be reduced to such transaction amount which is below the de minimis level pursuant to Rule 14A.76 of the Listing Rules.

(2) Elimination of continuing connected transactions in respect of the Tripartite Agreement

On 13 November 2008, the Company entered into the Tripartite Agreement with CMCC and TieTong. The initial term of the Tripartite Agreement expired on 31 December 2009. The Tripartite Agreement provides that pursuant to the terms thereof unless the parties agree otherwise, upon expiry of its term, the Tripartite Agreement shall automatically be renewed for further terms of one year. The Company, CMCC and TieTong agreed to renew the Tripartite Agreement on 21 August 2015 for a term of one year commencing on 1 January 2016. The principal terms of the Tripartite Agreement have been previously disclosed in the CCT Announcements. As disclosed in the CCT Announcements, the annual cap for the settlement charges payable by the Company to CMCC under the Tripartite Agreement (as renewed) for the year ending 31 December 2016 is RMB800 million (equivalent to approximately HK\$970 million). Assuming the completion of the Acquisition takes place on 31 December 2015, upon the completion of the Acquisition, as the business contracts and relevant transactions between the Company, CMCC and TieTong as contemplated under the Tripartite Agreement will be conducted by the Group, the existing interconnection settlement arrangements pursuant to the Tripartite Agreement will no longer constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

(3) Increase of annual cap for continuing connected transactions in respect of the 2014–2016 Property Leasing Agreement

On 15 August 2013, the Company entered into the 2014–2016 Property Leasing Agreement with CMCC. The 2014–2016 Property Leasing Agreement is for a term of three years commencing on 1 January 2014. The principal terms of the 2014–2016 Property Leasing Agreement have been previously disclosed in the CCT Announcements. As disclosed in the CCT Announcements, the annual cap for the rental and property management service charges payable by the Company to CMCC and its subsidiaries under the 2014–2016 Property Leasing Agreement for the year ending 31 December 2016 is RMB2,400 million (equivalent to approximately HK\$2,911 million). Assuming the completion of the Acquisition takes place on 31 December 2015, upon the completion of the Acquisition, in order to maintain operations stability, CM TieTong (a wholly-owned subsidiary of the Company) and its subsidiaries will continue to lease, if and when necessary, the relevant properties and assets of TieTong which are not transferred pursuant to the Acquisition, therefore, the amount of rental and property management service charges payable by the Company to CMCC and its subsidiaries is expected to increase. Accordingly, the Board concluded on 27 November 2015 that subject to the completion of the Acquisition, the annual cap for the year ending 31 December 2016 in respect of the rental and property management service charges payable by the Company to CMCC and its subsidiaries will not be sufficient and decided that the annual cap for the year ending 31 December 2016 in respect of the 2014–2016 Property Leasing Agreement, being RMB2,400 million (equivalent to approximately HK\$2,911 million), shall increase to RMB2,800 million (equivalent to approximately HK\$3,396 million).

LISTING RULES IMPLICATIONS

TieTong is currently a wholly-owned subsidiary of CMCC and CMCC is the ultimate controlling shareholder of the Company. Thereby, each of CMCC and TieTong is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. As such, the transactions contemplated under each of the 2014-2016 Telecommunications Services Agreement, the Network Assets Leasing Agreement (as renewed), the Telecommunications Services Cooperation Agreement (as renewed), the Tripartite Agreement (as renewed) and the 2014-2016 Property Leasing Agreement constitute continuing connected transactions for the Company under Chapter 14A.25 of the Listing Rules.

Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap (as adjusted) for the amount payable by the Company under the 2014–2016 Property Leasing Agreement is, on an annual basis, above 0.1% but below 5%, the transactions contemplated thereunder is classified as a continuing connected transaction under Rule 14A.76(2) of the Listing Rules and is only subject to the reporting, annual review and announcement requirements set out in the Listing Rules but is exempt from the independent shareholders' approval requirement under the Listing Rules. Details of the 2014–2016 Property 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 Listing Rules.

As all the executive Directors also hold executive positions at CMCC, all the executive Directors have therefore voluntarily abstained from voting on the board resolution approving the adjustment of the annual cap for the year ending 31 December 2016 in respect of the 2014–2016 Property Leasing Agreement.

The Board (including the independent non-executive Directors) is of the view that the increase of annual cap in respect of the 2014–2016 Property Leasing Agreement for the year ending 31 December 2016, was reached after arm’s length negotiations among the parties thereto, reflect normal commercial terms, and that the terms of the transactions thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

TieTong is a wholly-owned subsidiary of CMCC and has engaged in fixed-line telecommunications operations. CMCC is a state-owned company established under the laws of the PRC and the ultimate controlling shareholder of the Company holding indirectly approximately 72.7% of the total issued and outstanding share capital of the Company. Through the Group, CMCC is the leading provider of mobile telecommunications services in the PRC.

The Group is the leading provider of mobile telecommunications services in the PRC, and operates nationwide mobile telecommunications networks in all thirty-one provinces, autonomous regions and directly-administered municipalities in Mainland China as well as Hong Kong. The Company is an investment holding company.

This announcement contains translations between Renminbi and Hong Kong dollars at RMB0.82444 = HK\$1.00. The translations are not representations that the Renminbi and Hong Kong dollar amounts could actually be converted at such rate, if at all.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2014–2016 Property Leasing Agreement”	the 2014–2016 property leasing and management services agreement dated 15 August 2013 and entered into between the Company and CMCC
“2014–2016 Telecommunications Services Agreement”	the 2014–2016 telecommunications services agreement dated 15 August 2013 and entered into between the Company and CMCC
“Acquisition”	the acquisition by CM TieTong of certain assets, businesses and related liabilities and employees of TieTong
“Board”	the Board of Directors of the Company

“CCT Announcements”	has the meaning ascribed to such term in the section headed “CHANGES TO CONTINUING CONNECTED TRANSACTIONS” in this announcement
“CM TieTong”	China Mobile TieTong Company Limited* (中移鐵通有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“CMCC”	China Mobile Communications Corporation (中國移動通信集團公司), a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder of the Company
“Company”	China Mobile Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange and American depositary shares are listed on the New York Stock Exchange
“connected person”	has the meaning ascribed to such term in the Listing Rules
“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
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Network Assets Leasing Agreement”	the telecommunications network operation assets leasing agreement dated 18 August 2011 and entered into between the Company and CMCC, as renewed from time to time
“percentage ratio”	has the meaning ascribed to such term in Chapter 14 of the Listing Rules
“PRC” or “China”	the People’s Republic of China (for the purpose of this announcement only, which excludes Hong Kong, the Macau Special Administration Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares

“Shares”	ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Telecommunications Services Cooperation Agreement”	the telecommunications services cooperation agreement dated 6 November 2009 and entered into between the Company and CMCC, as renewed from time to time
“TieTong”	China TieTong Telecommunications Corporation, a company established under the laws of the PRC and a wholly-owned subsidiary of CMCC
“Tripartite Agreement”	the tripartite agreement dated 13 November 2008 and entered into between the Company, CMCC and TieTong, as renewed from time to time
“%”	per cent

* *for identification purposes only*

By Order of the Board
China Mobile Limited
Shang Bing
Chairman

Hong Kong, 27 November 2015

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Shang Bing, Mr. Li Yue, Mr. Xue Taohai, Mr. Sha Yuejia and Mr. Liu Aili as executive directors and Dr. Lo Ka Shui, Mr. Frank Wong Kwong Shing, Dr. Moses Cheng Mo Chi and Mr. Paul Chow Man Yiu as independent non-executive directors.