



PRESS RELEASE

For Immediate Release

CHINA MOBILE ANNOUNCES 2018 ANNUAL RESULTS

“Big Connectivity” Strategy in Full Swing

Ongoing Emphasis on Integrated Development of the “Four Growth Engines”

Building New Competitive Strengths to Support High-quality Development

Highlights

- Stable and healthy growth in operating results with a solid industry-leading position
- Concerted efforts to promote innovation and create new growth momentum
- Ongoing enhancements to principal capabilities with progressive 5G development
- Building new competitive strengths to support high-quality development and continuously creating value for shareholders

Operating Performance

	2017	2018	Change
Operating revenue (RMB million)	740,514	736,819	-0.5% (1.8%) ¹
Of which: Revenue from telecommunications services (RMB million)	668,351	670,907	0.4% (3.7%) ¹
EBITDA (RMB million) ²	270,421	275,541	1.9%
Profit attributable to equity shareholders (RMB million)	114,279	117,781	3.1%
Basic earnings per share (RMB)	5.58	5.75	3.1%
Dividend per share (HK\$/share) ³	3.205	3.217	0.4%
Total mobile customers (million)	887	925	4.3%
Of which: 4G customers (million)	650	713	9.7%
Mobile ARPU (RMB)	57.7	53.1	-8.0%
Wireline broadband customers (million)	113	157	39.0%
Of which: Household broadband customers (million)	109	147	34.2%
Household broadband blended ARPU (RMB)	33.3	34.4	3.2%
IoT smart connections (million)	229	551	140.7%

1. Revenue growth figures in brackets and the remaining parts of this press release are derived on a comparable basis after applying the new revenue standard (IFRS/HKFRS 15) to the revenue figures of last year pursuant to a static calculation.

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

3. Apart from dividend per share, the Company also paid a special dividend of HK\$3.200 per share in 2017 to celebrate the 20th anniversary of its IPO.

(Hong Kong, 21 March 2018) – China Mobile recorded operating revenue of RMB736.8 billion for the 2018 financial year, up by 1.8% compared to 2017. Amongst which, telecommunications services revenue

amounted to RMB670.9 billion, or growth of 3.7% year-on-year. The structure of the “four growth engines” continued to improve, where the respective proportions of revenues from household, corporate and emerging businesses to the Company’s total revenue have increased. Total number of connections reached 1.633 billion, amongst which, 925 million were mobile connections. The number of wireline broadband connections leapt to 157 million with a robust expansion of connection scale. The Company also had an industry-leading number of IoT (Internet of Things) smart connections totalling 551 million.

Our main focus in 2018 was on further reducing costs and increasing efficiency, and our efforts yielded favourable results with a reduction in unit cost. Profit attributable to equity shareholders reached RMB117.8 billion, or RMB5.75 per share and an increase of 3.1% year-on-year, aligning our profitability over the years with the top operators internationally.

The Board recommends a final dividend payment of HK\$1.391 per share for the year ended 31 December 2018. Together with the interim dividend payment of HK\$1.826 per share, the total dividend payment for the 2018 financial year increased by 0.4% year-on-year and amounted to HK\$3.217 per share. Full-year dividend payout ratio increased to 49%.

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 in 2019 and strive to create greater value for shareholders.

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 and create favourable returns for our shareholders.

Mr. Yang Jie, new Chairman of the Company commented, ‘2018 was a challenging year for telecommunications operators. Competition amongst peers changed in characteristics as products and services have become homogenized while cross-sector challenges have intensified. The value of traditional telecommunications business rapidly diminished, coupled with multiple challenges from a complex and rapidly-changing policy environment. In order to counter market competition, overcome the major obstacles in the ongoing reforms and enhance management, we continued to encourage everyone across the Company to take the “Big Connectivity” strategy even further and implement the integrated development of the “four growth engines”. Our concerted efforts and hard work have seen tangible results as we have established a clear direction of development for ourselves, delivering stable and healthy growth in operating results and continuously enhancing long-term sustainability. The combination of these hard-earned achievements is the foundation for our strength in the future.’

Major Developments

Personal Mobile Market: Rapid Growth in Data Traffic with Solid Customer Base

Faced with ever-escalating peer competition in the personal mobile market, we have moved swiftly to adjust our business strategy and seized the initiative to optimize our product portfolio. We have launched precision marketing initiatives and streamlined our service and management mechanisms, which resulted in enhanced customer satisfaction and business momentum. We maintained our market leadership with the market shares in terms of 4G customer net addition and data traffic increasing to about 50% in the fourth quarter of 2018. The total number of 4G customers reached 713 million in 2018, amongst whom 380 million were VoLTE (Voice over LTE) customers. Total handset data traffic increased by 182.1% year-on-year and in December 2018 4G DOU (average handset data traffic per user per month) stood at 6.6 GB. Mobile ARPU (average revenue per user) reached an industry-leading level of RMB53.1.

Household Market: Robust Growth Momentum with Significant Increase in Scale

We put a special focus on enhancing quality, speed and value for customers and furthering the development of our digital household business as we strive to cement ourselves as the recognized premium broadband provider. Our efforts have fuelled strong growth momentum in the household market. With a net increase of 37.42 million, the number of household broadband customers totalled 147 million and accounted for a market share of 41.5%. The number of customers for our digital set-top box “Mobaihe” reached 96.81 million, or a penetration rate of 65.9% in the household market. Household broadband blended ARPU reached RMB34.4, up by 3.2% year-on-year.

Corporate Market: Industry-leading Revenue Growth Rate with Steady Increase in Market Share

The Company focused on the key sectors we had identified to develop our corporate business at the same time as being mindful of the massive addressable market from informatization. This strategy has greatly strengthened our competitiveness in the market. The number of corporate customers increased to 7.18 million, or year-on-year growth of 19.2%, bringing a 2.2 percentage point increase to our revenue market share in corporate telecommunications and informatization services, which stood at 38.5%. In order to grow our business by extending into verticals, we stepped up our business development efforts across major markets, broadening our one-stop service offering. In 2018, we had 11 industry applications that generated individual annual revenue of more than RMB100 million.

Emerging Business: Adoption of Innovative Operating Model to Foster Business Scalability

Our innovative operating model has assisted us to capitalize on emerging business opportunities by focusing on key products and achieving growth through high scalability. We have recorded a net addition of 322 million in IoT smart connections, boosting the total number of connections to 551 million. In some provinces and cities across China, the number of machine-to-machine connections has exceeded that of human-to-human connections. In addition, “MIGU Video” achieved year-on-year revenue growth of 21.7%. A viewership of more than 4.3 billion was recorded for matches broadcasted on “MIGU Video” during the FIFA World Cup. Revenue of “MIGU Reading” exceeded RMB2.3 billion while the transaction value of our mobile payment business “and-Wallet” exceeded RMB2.5 trillion.

Full-year Outlook

As we move into the new year, we will continue to take thoughtful actions and practical steps, and have every confidence in maintaining our strategic focus on accelerating innovation and effective operations. These efforts, together with our adherence to openness and collaboration, will lead to new competitive strengths that support our high-quality development.

First, we will further integrated development to reinforce our industry leadership. Responding to the changes in customers’ consumption behaviours and aspirations that lead to more demand, we will focus on the harmonized and balanced development of the “four growth engines”, in parallel with striving to increase revenue. We will leverage the synergy brought about by the interactions amongst our personal mobile, household, corporate and emerging businesses to reinforce customer touch points and speed up the integration of users, businesses and services. The keen focus on industry collaboration will not only lead to the creation of an integrated ecosystem with key partners from different areas such as digital content, vertical industry chains and international business, but also enable us to fully leverage the complementary strengths amongst these partners.

Secondly, we will work to reduce costs, increase efficiency and scale up efforts to exercise delicate management. Following a policy of prudent cost control and adopting flexibility in a suite of asset management tools including disposal, restructuring and revitalization of resources, we will improve our asset

operation quality and optimize resource efficiency. It will be possible to significantly reduce operational and maintenance costs by fully leveraging smart technology. We will speed up the development of digital channels and shut down underperforming and ineffective physical retail outlets. We will increase internal synergies throughout the Company to enhance our centralized operational capability and accelerate our response speed. We will strengthen our capabilities in risk prevention, putting in place sound procedures and mechanisms that cultivate a culture of governance clearly in line with the rule of law.

Thirdly, we will enhance our customer service in order to obtain an industry-leading customer satisfaction rate. We will continue to strengthen customers' perception of our 4G network, enhance our household broadband and dedicated corporate lines, and upgrade product quality to serve the changing needs of customers. We aim to build an operations and development system driven by the "four growth engines", enhancing both the service levels to address our customers' demands and the areas that need more attention. We will accelerate the rebranding of our "GoTone" product, making full use of its brand advantages to strengthen customer retention and maintain customer value.

Fourthly, our innovation-led strategy will drive business transformation in a systematic way. We will continue to conduct tests on the 5G network and perform trials on business applications to ensure the pre-commercial launch of 5G services this year. We aim to provide direction and leadership for 5G development, exploring suitable 5G products and business models with industry partners. To build a strong foundation for the ongoing transformation towards an intelligent network, we will speed up the pace of network upgrades and strengthen our core capabilities. The Company will expand into new retail business and strive for the large-scale development of our own branded intelligent hardware. We will build up our capabilities in key business areas and develop an open and shared innovative ecosystem. In order to realize a win-win situation, we will continue to enhance the collaborative opening-up efforts, reinforcing industrial cooperation, investment planning and international expansion.

Fifthly, deep reforms will infuse vitality into our organization and systems. The IT reform will help us centralize and optimize our overall IT capability. With regard to our digital business, we will develop solutions for verticals and build our professional operational ability in e-commerce. We will actively explore new operating models to further optimize and find innovative approaches to areas such as network maintenance and market operation. We were honoured to be selected as a showcase in developing China's world-class corporations, and will take this opportunity to increase engagement and infuse new energy into our organization by enhancing performance-related incentive and appraisal mechanisms. The Company is committed to implementing reforms in our subsidiaries and turning them into high-potential enterprises, as part of the "Double-hundred Action".

2019 marks the starting point of our march into an information society powered by 5G. It is also a banner year in which we strive to realize the "Big Connectivity" strategic goal. The Company is determined to live up to the tremendous trust bestowed upon us by investors and shareholders by achieving ever-stronger operating results. We will strive to achieve more than 2.0 billion connections, favourable growth in telecommunications services revenue and, on a comparable basis, stable-to-rising growth in profit in 2019. These targets are based on the assumption that there will be no unexpected changes to the regulatory environment in 2019.

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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.