

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

2022 ANNUAL RESULTS

- Operating revenue was RMB937.3 billion, up by 10.5% year-on-year; of which, revenue from telecommunications services was RMB812.1 billion, up by 8.1% year-on-year
- Digital transformation revenue reached RMB207.6 billion, up by 30.3% year-on-year, contributing 25.6% of telecommunications services revenue; of which, mobile cloud revenue was RMB50.3 billion, up by 108.1% year-on-year
- Profit attributable to equity shareholders was RMB125.5 billion, up by 8.0% year-on-year
- EBITDA was RMB329.2 billion, up by 5.8% year-on-year; EBITDA as a percentage of telecommunications services revenue was 40.5%
- Total number of mobile customers was 975 million; of which, number of 5G package customers was 614 million; mobile ARPU increased by 0.4% year-on-year to RMB49.0
- Total number of wireline broadband customers was 272 million; of which, number of household broadband customers was 244 million; household customer blended ARPU increased by 5.8% year-on-year to RMB42.1
- The Board recommends a dividend payout ratio of 67% for the full year of 2022, and a total dividend of HK\$4.41 per share for the full year of 2022, up by 8.6% year-on-year

CHAIRMAN’S STATEMENT

Dear Shareholders,

In 2022, despite various hurdles and challenges brought about by the complex and changing macro-environment, we worked closely together as a team to seize the valuable opportunities emerging from the flourishing digital economy, anchoring the Company to its position as a world-class information services and sci-tech innovation enterprise. We systematically built out new information infrastructure centering around 5G, computing force network (CFN) and capability middle platform, and created a new information services system that is equipped with connectivity, computing force and capability. We strove to build new infrastructure, integrate new elements and instigate new growth momentum, as we accelerated the establishment of a world-class “Powerhouse”. We achieved stable-to-rising growth and continued to score outstanding business results. Operating revenue continued to record a double-digit increase, with net profit maintaining favourable growth despite a large base. We have also achieved all-round enhancements to customer value, corporate value and shareholder value.

2022 Results

Our operating revenue for the year reached RMB937.3 billion, or 10.5% growth year-on-year. Of this, telecommunications services revenue accounted for RMB812.1 billion, an increase of 8.1% year-on-year. All CHBN¹ markets saw growth in their customer base and revenue, with HBN revenue accounting for 39.8% of telecommunications services revenue, an increase of 4.1 percentage points year-on-year. Thanks to the rapid expansion of 5G applications, mobile cloud, digital content, smart home and other businesses, digital transformation revenue² reached RMB207.6 billion, up 30.3% year-on-year. Overall, our efforts in fostering digital transformation revenue as the “second curve” have yielded remarkable results. These services have become a key growth driver contributing to a more balanced, stable and healthy overall revenue structure. We have acquired increasingly stronger sustainable growth and significantly improved resilience.

¹ CHBN refers to the “Customer” market (C), the “Home” market (H), the “Business” market (B), and the “New” market (N).

² Digital transformation revenue includes the revenues from new businesses from the “Customer” market (Mobile Cloud Drive and others); the revenues from smart home value-added businesses from the “Home” market; the revenues from Industry Cloud, IDC, ICT, IoT and dedicated lines businesses from the “Business” market; and the revenue from the “New” market (excluding revenue from international core business).

Profit attributable to equity shareholders was RMB125.5 billion, an increase of 8.0% year-on-year, and earnings per share were RMB5.88. Our profitability remained in a leading position among top-tier global telecommunications operators. EBITDA³ was RMB329.2 billion, an increase of 5.8% year-on-year, with an EBITDA margin of 35.1%. EBITDA as a percentage of telecommunications services revenue was 40.5%. Return on equity was 10.0%, an increase of 0.2 percentage points year-on-year; capital expenditure totaled RMB185.2 billion, accounting for 22.8% of telecommunications services revenue and decreasing 1.6 percentage points year-on-year, which showed an improving return on assets and investment. Free cash flow was RMB95.6 billion, with cash flow remaining healthy. We have maintained industry-leading profitability, return on assets and cash flow for years, demonstrating our outstanding level of operations and management efficiency, and laying a secure foundation for future development.

The Board recommends a dividend payout ratio of 67%⁴ for the full year of 2022. It also recommends a final dividend payment of HK\$2.21 per share⁵ for the year ended 31 December 2022. Together with the interim dividend of HK\$2.20 per share already paid, total dividend for the full year of 2022 amounted to HK\$4.41 per share, an increase of 8.6% from that of 2021.

To create higher returns for our shareholders and share the results of our operating gains, after giving full consideration to the Company's profitability, cash flow generation and future development needs, the profit to be distributed in cash in 2023 will increase to 70% or above of the profit attributable to equity shareholders of the Company⁶ for that year. The Company will strive to create more value for shareholders.

³ EBITDA = profit from operations + depreciation and amortization.

⁴ The exchange rate is determined by the mid-price of HK\$ to RMB as announced by the People's Bank of China at the end of 2022.

⁵ The final dividend will be paid to holders of A shares in RMB at an exchange rate calculated on the basis of the average of the mid-prices of HK\$ to RMB as announced by the People's Bank of China during the one week prior to the date of the annual general meeting for declaring the dividend.

⁶ The basis of profit distribution of the Company is the profit attributable to shareholders under IFRS.

Value-oriented Operations Achieved Remarkable Results

We captured the benefits of digital economy development, strove to build a high-quality information services supply system, and steadfastly pursued value-oriented operations that leverage the scale of our business to drive the comprehensive and integrated development of our CHBN markets. All four markets achieved outstanding performance and we have consolidated our leading position in the industry. We have also effectively built our presence in new areas and opened new markets, and customer satisfaction continued to increase.

“Customer” Market: Integrated Operations Generated Stable-to-rising Growth

We deepened the integrated management of data access, applications and customer benefits, and strengthened our scenario-based precision operations, steadily increasing customer scale and value. We accelerated the migration of customers to 5G and strengthened the synergistic expansion between the “Customer” market and the “Home” and “Business” markets. We have also made efforts to persistently increase 5G customer penetration rate and drive greater personal consumption of information and communications. Moreover, we built a model of platform economy around users’ digital consumption needs, optimizing the integration across products, businesses and scenarios, and vigorously promoting the China Mobile digital superstore, which offers high-quality products, enriched benefits and differentiated brand services to give customers a stronger sense of gain and satisfaction with digital life. In 2022, our “Customer” market saw stable-to-rising growth with revenue reaching RMB488.8 billion, up by 1.1% year-on-year. Mobile customers totaled 975 million, with a three-year-high net addition of 18.11 million customers. In our customer base, 614 million were 5G package customers, with a net addition of 227 million. The number of customers using our integrated-benefit products⁷ reached 287 million, a net addition of 96.43 million customers. The number of monthly active users of our cloud product Mobile Cloud Drive recorded a net addition of 30.65 million, bringing the total to 166 million, the second largest in the industry. The number of customers using our 5G new voice over high definition video reached 91.90 million, a net addition of 26.82 million customers. Our range of emerging 5G digital products, including cloud XR (augmented reality), cloud games and 5G ultra high-definition video connecting tones, all started to make value contribution to our “Customer” market. Thanks to the rapid migration to 5G and increased customer digital consumption, mobile ARPU (average revenue per user per month) recorded stable and health growth, up 0.4% year-on-year to RMB49.0.

⁷ This refers to the number of customers in our network who are using our benefit products, including pure benefit portfolio products, telecommunications and benefit products, and paid members of our benefit superstore. Customers who are also content users in our benefits business are only counted once.

“Home” Market: Value-oriented Operations Drove Rapid Business Expansion

We strove to tap into the value potential of full-gigabit network and cloud-based applications by cultivating our leadership in broadband, TV and smart home services, and accelerating the transformation and upgrade of our “Home” business to HDICT (home data, information and communications technology, collectively “home informatization solutions”). We pursued leadership in gigabit broadband by speeding up network expansion, application development and service upgrade to establish a reputation for high-quality in this area. We pursued content-driven TV leadership by promoting the upgrade of traditional TV to smart TV, projector and other screen terminals. We optimized the family information services portal, consisting of broadband television, digital cinema and vertical content. We pursued innovation to realize our leadership in smart home services. Through the integrated development of big-screen video-on-demand, smart home network deployment, home security and other high-growth products, and through leveraging new application scenarios such as digital village, smart community, smart household and smart car interior, we established a standardized operating system for HDICT. In 2022, our “Home” market maintained rapid growth, with revenue reaching RMB116.6 billion, up 16.0% year-on-year. The number of household broadband customers reached 244 million, or a net increase of 25.78 million, and continued to lead the industry. Gigabit broadband grew in popularity at a quickened pace, with the number of household gigabit broadband customers reaching 38.33 million. Our mobile HD customer base reached 193 million. Smart home applications continued to make a greater contribution to incremental revenue, with the contribution of smart home value-added business to the incremental revenue of our “Home” market reaching 55.9%. The number of smart home network and home security customers increased by 67.7% and 71.2% respectively year-on-year. Buoyed by bandwidth upgrade and the growth of smart home consumption, household customer blended ARPU increased by 5.8% year-on-year to RMB42.1.

“Business” Market: Bolstered Capabilities Fueled Strong Momentum

We focused our efforts on the integrated development of network, cloud and DICT (data, information and communications technology), comprehensively bolstering our market, product and supporting capabilities. In 2022, our “Business” market revenue maintained rapid growth, reaching RMB168.2 billion, up 22.6% year-on-year. Our corporate customer base reached 23.20 million, a net increase of 4.37 million. The dual engine of cloud and 5G yielded new outcomes, while Mobile Cloud achieved a breakthrough in the proprietary innovation of core technologies such as our cloud computing operating system. These results have helped us establish differentiated advantages in the convergences of cloud and networks, cloud and big data, cloud and intelligence, and cloud and edge computing. Our Mobile Cloud revenue reached RMB50.3 billion, up 108.1% year-on-year. Our comprehensive strength in this area has put us among the top-tier players in the domestic market. By the end of December 2022, we had signed more than 6,200 major contracts for cloud services, generating revenue of over RMB22.5 billion. We delivered more than 3,700 cloud migration projects for state-owned enterprises and completed a number of benchmark cases for sectors including public administration and healthcare. We accelerated the usage of 5G to empower digital transformation across a plethora of industries, promoting the full commercialization of 5G dedicated network and enhancing the core capabilities of the 9-One Industry Platform⁸. This has helped further reinforce our position as a 5G industry leader. By the end of December 2022, we had signed accumulatively more than 18,000 agreements for 5G commercial projects across multiple sectors, driving the value of DICT contracts to RMB36.5 billion. The revenue from 5G dedicated network reached RMB2.55 billion, an increase of 107.4% year-on-year. We achieved industry leadership in segments including smart mining, smart factories, smart grid, smart hospitals, smart city and autonomous driving. We also tapped into the emerging To V and To G markets. For the To V market, we seized the opportunities in the fast-growing Internet of Vehicles (IoV) market by integrating our resource advantages in network, cloud and map to formulate an overall strategy. As of the end of December 2022, our total number of IoV connections had exceeded 200 million, with an industry-leading share of new energy vehicle connections. For the To G market, we empowered public administration, social governance and services related to people’s livelihoods, securing digital government projects with a total contract amount reaching RMB20 billion in 2022, underscoring our remarkable development in this space.

⁸ The 9-One Industry Platform includes: OnePoint High-precision Positioning Platform, OneTraffic Smart Transportation Platform, OnePower Industrial Internet Platform, OneFinT Smart Finance Platform, OneEdu and-Education Platform, OneHealth Smart Healthcare Cloud Platform, OneTrip Smart Cultural Tourism Platform, OneVillage Rural Revitalization Platform, OneCity Smart City Platform, OnePark Smart Park Platform and OneCyber5G Dedicated Network Operations Platform.

“New” Market: Innovative Strategy Supported Very Rapid Growth

With a focus on innovation, entrepreneurship and creation, we synergistically developed the four segments: international business, equity investment, digital content and FinTech, accelerating breakthroughs in emerging areas. As a result, the revenue contribution of key business segments increased significantly. In 2022, our “New” market revenue achieved very rapid growth, reaching RMB38.5 billion, up 26.9% year-on-year. In terms of international business, we deepened the synergies between international and domestic markets, speeding up the export of high-quality and mature capabilities to overseas markets and achieving breakthroughs in 5G industry solutions. We further optimized the deployment of international resources, creating a thriving international cooperation ecosystem. Alongside improved globalized operations, our international business revenue reached RMB16.7 billion, up 25.4% year-on-year. In terms of equity investment, adhering to a focus on value contribution, ecosystem formation and synergy creation, we delved into critical sectors through the two-pronged approach of direct investment and investing through funds. Leveraging capital ties, we promoted the mutual empowerment of capital and business, and actively created a family of businesses to drive digital intelligence transformation. The number of enterprises in which we have an equity stake has reached 31. In terms of digital content, we made every effort to build an integrated platform that supports content generation, aggregation and dissemination, and carefully fostered MIGU video, cloud games and other high-quality Internet products while continuing to expand business scale and optimize user experience. Digital content revenue reached RMB21.3 billion, representing a record growth rate of 27.2% year-on-year. Across all platforms, the monthly active users of MIGU video and cloud games grew 67.1% and 29.2% respectively year-on-year. Marketing campaigns around 5G Beijing Winter Olympics and metaverse World Cup achieved outstanding results. In terms of FinTech, driven by scenarios and data, we relentlessly promoted the rapid development of financial services throughout the industry chain, achieving an annual business scale of more than RMB50.0 billion as we serviced more than 600 partners upstream and downstream of the industry chain. Additionally, we continued to deepen the application of big data, artificial intelligence and other digital technologies in finance, accelerating the integration of digital RMB, membership points and other types of differentiating payment capabilities and creating an all-in-one digital consumption portal across all platforms. “and-Wallet” monthly active customers grew 59.0% year-on-year.

We increased our efforts in business innovation, transforming from being connectivity-driven to integrating the three core aspects of connectivity, computing force and capabilities. We refined our business planning to focus on key areas and development trends while upgrading our products and services to a model supported by platforms and ecosystems. We also shifted our development approach towards a scenario-based one and a higher level of convergence. In doing so, we accelerated the comprehensive and effective coverage of our information services markets across verticals and achieved encouraging growth in our digital transformation business. In 2022, our digital transformation revenue contributed 79.5% to our incremental telecommunications services revenue. Its share of telecommunications services revenue increased to 25.6%, becoming the strongest driver of revenue growth. In terms of industry digitalization, as part of our digital transformation revenue, DICT revenue increased by 38.8% year-on-year to RMB86.4 billion. Of this, big data revenue increased by 96.1% to reach RMB3.2 billion. Revenue from our 5G dedicated network increased by 107.4% to RMB2.55 billion. In the area of personal and household digitalization, our smart home value-added business revenue grew by 43.4% year-on-year to RMB29.7 billion. The revenue of our digital content and FinTech businesses increased by 27.2% and 79.9% respectively.

We are committed to providing exceptional services to our customers by persistently implementing a service system that covers every aspect of services and processes and engages every member of staff. Focusing on customer needs, we further optimized high-quality network perception, high-performance product experience and highly effective services at customer touch points. As a result, our service quality and customer experience continued to improve, with a higher level of customer satisfaction than the industry. We deepened the operation of the 10086 integrated smart service portal, with efforts to strengthen the new scenario of video customer services and deploy other pilot applications of new technologies. These initiatives helped us further improve the level of digitalization in service response and customer interaction. We made full use of the *Dayin* platform to obtain customer feedback and profile our services to effectively empower perception management and optimization throughout the customer journey. We also promoted service awareness among all employees and launched innovative services and brand communications campaigns. These efforts supported our “Heartwarming Service” brand promise, gaining us widespread recognition.

Accelerated the Build-out of the “Two New Elements”

With a clear focus on the “Two New Elements” of new information infrastructure and new information services system, we adopted a systematic approach to developing 5G, CFN and capability middle platform, which are the key components of the new information infrastructure. Additionally, we established a new information services system that integrates connectivity, computing force and capability. These measures reinforced our digital intelligence foundation and expedited the expansion of our information services.

Comprehensive leadership in dual gigabit premium network. With regard to 5G network, we deepened collaboration with China Broadcasting Network Corporation Limited in the areas of co-construction and sharing of 5G networks to achieve mutual benefits. We coordinated our 700MHz, 2.6GHz and 4.9GHz frequency resources with a scientific approach, and focused on building the base network on the 700MHz frequency band, constructing the 2.6GHz and 4.9GHz frequency bands with precision, and gradually extending indoor coverage. We delivered continuous coverage across urban districts, counties, towns and villages nationwide, establishing the world’s largest 5G standalone (SA) network and further solidifying our leadership position in 5G. In 2022, our investments in 5G network totaled RMB96 billion. We have accumulatively put into use 1.285 million 5G base stations, including 480,000 700MHz 5G base stations. We provided services to 330 million 5G network customers and played a role in promoting the scale development of 5G industry applications in various segments, effectively meeting the growing demand in data consumption in the mass market and empowering a wide array of industries in our “Business” market. Furthermore, we continued to drive 5G technology innovation, leading accumulatively 197 5G international standards-setting projects. This achievement has placed us among the top-tier global operators. We accelerated the evolution of 5G technology toward network intelligence, communications and experience integration, and space-ground integration. With a clear focus on customer demand, we precisely built out the full-fiber gigabit broadband network to address different scenarios in different regions. This has improved our broadband capabilities effectively and earned us a strong reputation for network quality. Our Optical Line Terminal (OLT) platforms in urban areas boast 100% gigabit capability, and we have extended this capability to townships and villages. In those areas our gigabit capability coverage reached 90%. Drawing on our strength in Gigabit Passive Optical Network (GPON) technology, we flexibly combined both GPON and 10G GPON networks for high-bandwidth transmission. As a result, our gigabit coverage has reached 260 million households.

Continuous optimization of our CFN deployment. We have taken proactive actions to implement the national strategy of “eastern data and western computing”. By turning CFN from a conceptual prototype into an industry deployment, we maintained our leadership in CFN infrastructure. As we continued to refine the intensive and hierarchical structure of “4+N+31+X”⁹, we increased the number of IDC cabinets available for external use to 467,000, a net addition of 60,000 cabinets. Additionally, we furthered the convergence of cloud-network-edge and rapidly expanded the diversity of our computing resource capabilities. We enhanced the high-speed intelligent connection of computing force and network, and the total number of cloud servers for deployment exceeded 710,000, representing a net increase of more than 230,000 units. We have also delivered a total computing capacity of 8.0 EFLOPS, a net addition of 2.8 EFLOPS. Regarding the application of our computing force products, we pursued the “computing force faucets” strategy by speeding up the integration of CFN capabilities and business innovation to promote scale growth and the realization of commercial value. In the mass market, we completed the upgrade of computing force of five key products including Mobile Cloud Drive and cloud games, and launched computing terminal products such as cloud phones and cloud *Mobaihe*. We also developed a range of technology applications for multiple sectors, through means including the fusion of the metaverse concept with winter sports in the Winter Olympics and interactive cultural tourism. In the “Business” market, we built out a comprehensive CFN product system for our customers, securing agreements with key customers in businesses aligning with the strategies of “eastern data and western storage”, “eastern TV filming and western post-production”, and others. We introduced task-based services, upgraded our dedicated cloud network, and promoted cloud Internet and other cloud-network integration products. Additionally, we expanded our solutions for industry such as unmanned mining, port remote control and industrial quality inspection. We have developed CFN technology standards and industry specifications from scratch. Moreover, we fostered the systematic development of the CFN and promoted the adoption of CFN standards among top-tier industry players. Supporting this goal, we led 97 standards-setting projects in domestic and international organizations and co-founded the world’s first CFN open-source community. Our coordination and leadership capabilities have enabled us to collaborate with over 30 partners in the development of a national pilot CFN to test more than 30 scenarios centering ten key technologies. These typical scenarios covered areas including “eastern data and western computing”, supercomputing and smart computing, and social CFN integration. The pilot network represented a joint force to build the scientific foundation for the CFN.

⁹ 4 (hotspot regions) + N (central nodes) + 31 (provincial nodes) + X (edge nodes).

Accelerated development of our capability middle platform. We focused on scaling our capability middle platform while ensuring its precise operation. This enhanced our ability to apply the platform's capabilities both internally and externally, ultimately speeding up commercial value realization and supporting the broader goal of empowering cloud migration, digitalization and intelligent transformation across society. For our service offering, we leveraged general capabilities that can be applied within and outside of our organization, such as artificial intelligence, blockchain and precise positioning, to build the centralized sharing model. This model will enable service output, inclusion and development of new capabilities, and integrated application, elevating the platform's role as a one-stop-shop for digital intelligence empowerment. As of the end of December 2022, we had included 889 middle platform capabilities, which had been deployed 13.74 billion times per month on average. The number of deployments has increased by 68.4% year-on-year, and through value generation from our capabilities, we created a value of more than RMB10 billion for the year. Furthermore, through building an AaaS+ ecosystem for users across society, we continued to scale up industry collaborations to empower the transformation and upgrading of various sectors. In terms of big data applications, we launched three categories of standardized products, namely *Wutong* Risk Control, *Wutong* Outreach and *Wutong* Insight, and have put them into commercial trials across our entire network. We developed big data solutions for various sectors including finance, transportation, public administration, and cultural tourism. Regarding intelligent operations, we adapted to the needs of business transformation and upgrade to further enhanced the function of IT service in empowering our operations. We made significant progress in various fields, including supporting CHBN business integration and development, precise customer service management, intelligent network security operations, management efficiency enhancement and the accelerated development of our digital intelligence foundation. As a result, we were able to leverage digital technology to drive cost savings, achieving a total cost reduction of over RMB3.8 billion for the year.

Breakthrough in information services offering. As we increase our focus on product innovation for our new information services system surrounding connectivity, computing force and capability, we improved the mechanism of the Product Management Committee, enabling us to develop and plan our products from multiple sources, thereby accelerating the critical role of products as a key leverage in value operations. In the mass market, the number of users of our 13 products, including MIGU Video, cloud games and big-screen video-on-demand, exceeded 100 million. The customer base for six of our products, including video connecting tones, home security services and mobile authentication services, topped the industry, reflecting enhanced customer retention and value. In the “Business” market, the service capability of our Mobile Cloud across all platforms was industry leading. We have built a total of 8 3AZ¹⁰ high-quality resource pools, offering the greatest diversity of one-point access resources in the industry. We have achieved full-stack capability for autonomous control and our core products boasted unparalleled performance. The market share of our public cloud revenue ranked top six in the domestic market, while our dedicated cloud and edge cloud ranked third and first respectively. We formed a strong alliance with industry partners to build a distinctive security product system. Our key security products, including those related to dedicated line services, have entered into commercial trials across the entire network, continuously enhancing our capability in security solutions. In addition, we made significant progress in the development of our 9-One Industry Platform, which has emerged as a critical pillar of our operations, creating more than 800 core functions and supporting delivery of more than 1,100 5G projects in total. The pan-terminal and omni-channel sales alliance helped us recorded a total terminal sales volume of 87.92 million units (inclusive of handset sales) during the year. Through our efforts, we have greatly increased the popularity of 5G terminals and further enhanced our industry impact.

¹⁰ There are three available zones (AZ) in the resource pool. The networks in these zones are interconnected yet physically independent, ensuring low network latency, high service reliability and the satisfaction of application disaster recovery requirements.

Increasing Innovation Capability

We sped up innovation and extended open collaboration while extending enterprise reforms. Our relentless efforts further strengthened our future-proof innovation capabilities.

Fruitful achievement in technological innovation. By enhancing the mechanisms and systems for research and development (R&D), we have successfully bolstered the innovative vitality of our research team. To ensure adequate resource and support for talent, we invested RMB21.7 billion in R&D¹¹ for the year, up 17.0% year-on-year. Under the new talent system, the proportion of our workforce in R&D and digital-intelligent roles increased further. We attained notable results in the development of strategic technological capabilities by aligning ourselves with the national innovation system, and were granted approval from the Ministry of Science and Technology to build the “National Open Innovation Platform for Smart Network New Generation Artificial Intelligence”. Moreover, we have made significant headway in core technologies, including basic chips and IoT operating systems, and successfully developed a number of home-made proprietary products. The 5G innovation consortium, a cross-disciplinary coalition, has facilitated the integrated innovation of 5G technology across diverse industries. Concurrently, our innovation capabilities in 6G, artificial intelligence and other self-developed competencies have continued to expand, thereby forging a close-knit community within the mobile information industry chain. The first batch of ten sub-chains have attracted more than 1,000 major industrial partners. Regarding patent and standards setting, we have established ourselves as a leader in the industry, spearheading accumulatively a total of 197 5G international standards-setting projects and applying for over 4,100 5G patents. These accomplishments have placed us among the top-tier global operators in this space. We released the world’s first systematic 6G network architecture and led key national R&D programs such as “Intellicize Wireless Networks” and “AI Air Interface”. Our original technological concept of “systematic artificial intelligence” has started to show its influence globally. We have also made significant breakthroughs in digital intelligence technology, particularly in the areas of cloud computing, edge computing, technological architecture and storage technology, which we occupied a leading position in the industry. In the field of blockchain, we developed over 20 new showcase applications, such as digital collections, inter-operator settlement and the “carbon peaking and carbon neutrality” initiative. Meanwhile, our platform services are at the forefront of the positioning industry, featuring unique capabilities such as 5G + *Beidou* short message emergency communication. With regard to video, the AVS3.0¹² and AI real-time subtitles were first launched at the Beijing 2022 Winter Olympics, and digital-intelligent sign language hosts debuted at the World Cup.

¹¹ R&D investment includes expensed R&D investments and capitalized R&D investments.

¹² China’s third-generation audio and video codec technology with propriety intellectual property rights.

Extended open collaboration. We remained steadfast in our commitment to open collaboration and mutual benefit. Through concerted efforts, we further strengthened our industry, innovation, capital, supply, ecological and value chains, thereby expanding and thriving our “circle of relatives”, “circle of friends” and “ecosystem” within and beyond our industry. In addition, we actively pursued strategic cooperation with local governments, public institutions and enterprises. In doing so, we sought to establish or deepen our partnerships to promote cross-disciplinary collaboration related to the industrialization of digital technology, digital transformation across industries, and information services to support the development of the digital economy. We enhanced capital cooperation through the optimization of our strategic investment plan, adopting various means such as equity investment and venture capital to acquire key capabilities that are complementary to ours. We delved into verticals including cybersecurity, Industrial Internet, artificial intelligence, visual IoT and industrial automation to expand our industrial ecosystem across various sectors. We have further fortified our innovation collaboration, advancing the “Joint Innovation Plus” R&D cooperative system and intensifying our partnerships with national platforms, sci-tech enterprises and tertiary and research institutes. We proactively explored new joint R&D models with enterprises and further reinforced the management of the fund established through collaboration between the National Natural Science Foundation of China and China Mobile. Within the ecosystem, we have played a leading role as a flagship enterprise, establishing a new digital-intelligent ecosystem encompassing strategic and investment partners, telecommunications industry peers, system integration vendors, Internet technology companies and broader society, driving the prosperous development of the digital economy. As of the end of December 2022, the number of our industrial ecosystem partners exceeded 300,000.

Deepened enterprise reforms. We advanced our enterprise reform efforts to support the growth of information services. Specifically, we have established two shared service centers and formed five new capability institutions, including an intelligent computing company (*Fanxing Zhisuan*) and a data center in Shanghai. We advanced our grid operation reforms, which have reduced the workload for frontline personnel, boosting overall productivity. Meanwhile, we started to build a scenario-based three-dimensional sales and marketing service model that covers all customer touch points and we upgraded our pan-terminal and omni-channel direct sales system, accelerating our marketing transformation and enhancing marketing quality. In addition, we optimized the industry development system for our “Business” market by forming designated mechanisms for the development of key sectors, segments and projects. In doing so, we empowered the efficiency enhancement of various industries. Moreover, we modified our mechanisms to stimulate vitality in our development. We strove to build a world-class enterprise and unleash the benefits of reforms. By adopting a systematic approach to improving governance, staff deployment and incentive mechanisms, we created new impetus for the high-quality development of our organization. We strengthened the development of our subsidiaries’ boards, better managed the tenure and contracts of staff members at managerial level and improved the market-oriented talent system. Additionally, we furthered the “Double-hundred Action” and the national reform program that encourages select Chinese technology companies to implement market-oriented reforms. Three of our subsidiaries being added to the program. We actively and prudently explored mixed-ownership reform, with Xinsheng Tech successfully attracting strategic investors and implementing an employee share ownership scheme. We deepened the incentive mechanism reform and further improved the diversified and differentiated incentive system, implementing tailored incentive policies in our “special zones”. We also successfully rolled out the second phase of our share option incentive plan.

Setting the Benchmark for Environmental, Social and Governance (ESG) Performance

As a responsible corporate citizen, we consistently place importance on integrating ESG practice into our daily operations as we undergo business transformation and development. We are committed to enhancing our ESG management and taking actions to drive the harmonious and sustainable growth of the Company, as well as of our society, economy and environment.

Deepened green development. We continued to carry out the *C² Three Energy-China Mobile Carbon Peak Carbon Neutrality Action Plan*¹³, building the green industry and supply chains, at the same time as developing innovative solutions for environmental governance and ecological conservation, working toward the goal of achieving carbon peaking and carbon neutrality. In terms of green operations, we adopted innovative technologies and management tools to promote energy saving in 5G network devices, base stations and our network. For newly built large- and hyper-scale data centers, we capped the PUE (power usage effectiveness) at below 1.3. The integrated per unit energy consumption of our telecommunications service reduced by 14% year-on-year in 2022. In terms of green supply chain, we instilled our green values in the whole life cycle of products and services, encouraging suppliers to improve equipment efficiency as an ongoing practice, and promoting green packaging and logistics and the use of paperless contracts. By doing so, we continued to mitigate the environmental impact of the supply chain. The “E-agreement for 5G services” we launched has helped cut the use of a total of 1.41 billion sheets of paper accumulatively. To support energy conservation and environmental protection in the broader community, we fully leveraged digital intelligence technology to reduce carbon emissions and empower a wide variety of industries to improve energy and production efficiency, which in turn helped promote the development of smart green cities and a greener lifestyle. We also proactively participated in ecological protection projects, extensively supporting data collection, monitoring, mining and analysis for environmental conservation, and contributing to enhanced ecological stability and sustainability.

¹³ C² Three Energy-China Mobile Carbon Peak Carbon Neutrality Action Plan; “Three Energy” refers to the three guiding principles of actions which include energy saving, clean energy and empowerment.

Fulfilled social responsibility. Drawing on our expertise and resources, we continued to contribute to social development and endeavored to meet people’s aspiration for a better life. In 2022, we accelerated the construction of new information infrastructure, exploring and expanding new methods and models to provide information services that better meet the demands arising from digital-intelligent life and society. In the meantime, we put our effort into supporting coordinated social, economic and regional development, helping small and medium-sized enterprises to address their business challenges. We also placed great importance on safeguarding cybersecurity, data security and information security, and successfully completed telecommunications and cybersecurity missions for various large-scale events, including the 20th National Congress of the Chinese Communist Party and the Beijing 2022 Winter Olympics and Paralympic Winter Games. To support COVID-19 prevention, we offered communication big-data travel tracking card enquiry services and satisfied the communications demands around remote working, staying at home and online learning; we also provided secure communications services during major crises including the earthquake in Lushan county, Sichuan province, safeguarding the emergency network lifeline. We prevented and combated malicious telecommunications and cybercrimes, and strengthened personal information protection, creating a healthy and safe communications environment for our customers. We progressed our digital-intelligent village revitalization plan and implemented seven major digital-intelligent projects to support rural areas through new infrastructure, industry development, rural governance, education, healthcare, culture and finance. These projects are narrowing the digital and application divide to empower the modernization and intelligent transformation of agriculture and of rural areas. In the meantime, we continued to initiate philanthropic campaigns. To date, the “Blue Dream” project has seen a total of 4,360 multimedia classrooms built and provided professional training for more than 130,000 primary and secondary school headmasters in rural villages in the mid-west of China. The “Heart Caring” campaign has provided free congenital heart disease surgery to 7,446 children from underprivileged families.

Enhanced corporate governance. We adhered to the principles of integrity, transparency, openness and efficiency to fully comply with all applicable listing rules to ensure sound corporate governance. We pursued policies to maintain board member diversity and ensured the independent non-executive directors contribute their respective experience and expertise to help us further improve our corporate governance and decision-making mechanisms. We continued to implement our “Compliance Escort Plan” and focus our efforts to advance our goal of making 2022 the “Year of Strengthening Compliance Management”. We weaved compliance management into our digital-intelligent transformation and high-quality business development, which helped to optimize our compliance management system and improve our capabilities. To strengthen our risk prevention and control measures, and ensure strong risk detection and management abilities, we enhanced our supervision over key business areas with a view to supporting the healthy and sustainable development of the Company.

Our overall performance has received widespread acclaim. In 2022, we received from *Bloomberg Businessweek/Chinese Edition* the Listed Enterprises of the Year, the ESG Leading Enterprise and the Best Innovation awards. We were also named as one of the Most Honored Companies in the 2022 All Asia Executive Team Poll conducted by *Institutional Investor*. In addition, we won *Asia Money's* Most Outstanding Company in Hong Kong – Telecommunication Services Sector award and *Corporate Governance Asia's* Best Investor Relations Company and Best CSR awards. We also won *The Asset's* ESG Corporate Gold Award and Best Deal – China Onshore market – Best IPO. Our ESG management was selected as one of the ESG Best Practice Cases among Listed Companies by the China Association for Public Companies. The association also awarded us the honor of the Best Practice of Annual Report Presentation among Listed Companies in 2021.

Future Outlook

With the new wave of technological revolution and industry transformation, our society is moving at full speed toward a new phase of development driven by information and characterized by the deep integration of information and energy. The integrated innovation of information and energy has become the key catalyst for human civilization to progress and the engine for the digital economy to prosper. This new cycle of growth not only presents unprecedented opportunities for the information and communications sector, but also sets us higher standards in terms of providing better quality information services and optimizing our business structure.

We see valuable opportunities ahead as we accelerate the expansion of our information services. The new generation of information technology has increasingly become the fiber of every aspect and process of the economy and society, which has profoundly transformed the way people produce and live, as well as upending the model of social governance. This transformation has turned the new information services system of “connectivity, computing force and capability” into a common need across society as it drives innovation in technology and application. As a result, the integrated innovation of our information service and social operation systems will create more ‘blue ocean’ opportunities. In particular, at a quicker pace artificial intelligence has seen deeper and broader application in a wide variety of vertical industry sectors, continuously nurturing new industries, new business landscapes and new business models, which is propelling intelligent computing power to become a new driver in the age of digital economy. China has provided very favorable policy support to increase the strength, quality and scale of its digital economy. The recently issued *Plan for the Overall Layout of Building a Digital China and Opinions on Establishing a Data Base System to Maximize a Better Role of Data Elements* aim to accelerate the development of Digital China and continuously unleash the potential embedded in data elements. The industry has reached a consensus on high-quality development and launched more co-construction and sharing initiatives. All these are steering the industry towards healthier and more orderly development.

However, we are faced with uncertainties in our business transformation. Global economic recovery is yet to pick up momentum, while geopolitical disputes occur frequently. At the same time, China's macro-economy is experiencing shrinking domestic demand, supply chain disruption and weakened economic forecasts. Apart from these triple factors, the stability of the supply chain is also challenged by the uncertainty arising from international trade and technological barriers. These incidents will, to a certain extent, pose an impact on business operations. In addition, the business and market landscape of the information services industry is undergoing change and reshaping, giving rise to more complex competition. Leading DICT enterprises have tapped into high-value areas such as video content and cloud computing, while establishing their presence in frontier areas including the metaverse, autonomous driving and smart robots. Cross-disciplinary connection has become a trend, intensifying competition on many fronts and bringing challenges to our operation of a digital intelligence platform and the promotion of our products and services.

Those who can take advantage of favorable conditions will stay one step ahead, and those who can create the conditions will do great things. We need to leverage our strengths and our long-term planning to deliver solid outcomes. Faced with both opportunities and challenges, we will fully, accurately and comprehensively align with new principles to ensure we contribute to the new development paradigm. We will proactively put our "1-2-2-5" strategy into practice, anchoring ourselves to the "one position" of a world-class information services and sci-tech innovation enterprise, while speeding up the "two changes", which are the shift from quantitative leadership based on scale to qualitative leadership focused on improving effectiveness and efficiency, and the shift from delivering business results in the short-to-mid-term to achieving value growth in the mid-to-long-term. Together as one team, we will foster the "two new elements", systematically building a new information infrastructure centering 5G, CFN and capability middle platform, while developing a new information service system of "connectivity, computing force and capability". We will unleash the "five benefits" through innovation, customer recognition, reforms, talent and ecosystem. In doing so, we aim to achieve high-quality and sustainable development, and strive to maintain favourable growth in revenue and net profit to consistently create greater value for our shareholders and customers.

Acknowledgement

Finally, on behalf of the Board, I would like to take this opportunity to express my heartfelt gratitude for the support of our shareholders, customers and the public, and for the dedication and contribution of our employees.

Yang Jie
Chairman

Hong Kong, 23 March 2023

GROUP RESULTS

China Mobile Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2022.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

(Expressed in Renminbi (“**RMB**”))

	Note	2022 Million	2021 Million
Operating revenue	5		
Revenue from telecommunications services		812,058	751,409
Revenue from sales of products and others		125,201	96,849
		<u>937,259</u>	<u>848,258</u>
Operating expenses			
Network operation and support expenses	6	254,182	225,010
Depreciation and amortization		200,077	193,045
Employee benefit and related expenses		130,157	118,680
Selling expenses		49,592	48,243
Cost of products sold		122,743	96,083
Other operating expenses	7	51,409	49,234
		<u>808,160</u>	<u>730,295</u>
Profit from operations		129,099	117,963
Other gains		9,388	8,257
Interest and other income	8	15,729	16,729
Finance costs		(2,330)	(2,679)
Income from investments accounted for using the equity method		10,986	11,914
		<u>162,872</u>	<u>152,184</u>
Profit before taxation		162,872	152,184
Taxation	9	(37,278)	(35,878)
PROFIT FOR THE YEAR		<u>125,594</u>	<u>116,306</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

for the year ended 31 December 2022

(Expressed in RMB)

	Note	2022 Million	2021 Million
Other comprehensive income for the year, net of tax:			
Items that will not be subsequently reclassified to profit or loss			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		(226)	(406)
Remeasurement of defined benefit liabilities		15	(143)
Share of other comprehensive (loss)/income of investments accounted for using the equity method		(12)	7
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		2,575	(882)
Share of other comprehensive loss of investments accounted for using the equity method		(1,093)	(219)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		126,853	114,663
Profit attributable to:			
Equity shareholders of the Company		125,459	116,148
Non-controlling interests		135	158
PROFIT FOR THE YEAR		125,594	116,306
Total comprehensive income attributable to:			
Equity shareholders of the Company		126,718	114,505
Non-controlling interests		135	158
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		126,853	114,663
Earnings per share – Basic	10(a)	RMB5.88	RMB5.67
Earnings per share – Diluted	10(b)	RMB5.88	RMB5.67

Details of dividends to the equity shareholders of the Company are set out in note 11.

CONSOLIDATED BALANCE SHEET

as at 31 December 2022

(Expressed in RMB)

	Note	As at 31 December 2022 Million	As at 31 December 2021 Million
Assets			
Non-current assets			
Property, plant and equipment	12	741,029	723,305
Construction in progress		73,087	71,742
Right-of-use assets		108,749	55,350
Land use rights		15,244	15,739
Goodwill		35,301	35,344
Other intangible assets		8,691	8,171
Investments accounted for using the equity method		175,649	169,556
Deferred tax assets		43,638	43,216
Financial assets measured at fair value through other comprehensive income		490	689
Financial assets measured at fair value through profit or loss		187,130	78,600
Other financial assets measured at amortized cost		9,716	283
Bank deposits		45,887	17,056
Other non-current assets		34,556	26,905
		<u>1,479,167</u>	<u>1,245,956</u>
Current assets			
Inventories		11,696	10,203
Contract assets		13,657	6,551
Accounts receivable	13	40,245	34,668
Other receivables		12,838	10,137
Amount due from ultimate holding company		2,537	2,612
Prepayments and other current assets		26,257	28,291
Prepaid income tax		1,055	875
Other financial assets measured at amortized cost		16,300	33,884
Financial assets measured at fair value through profit or loss		108,303	132,995
Bank deposits		56,377	91,212
Cash and cash equivalents		167,106	243,943
		<u>456,371</u>	<u>595,371</u>
Total assets		<u><u>1,935,538</u></u>	<u><u>1,841,327</u></u>

CONSOLIDATED BALANCE SHEET (CONTINUED)

as at 31 December 2022

(Expressed in RMB)

	Note	As at 31 December 2022 Million	As at 31 December 2021 Million
Equity and liabilities			
Liabilities			
Current liabilities			
Accounts payable	14	156,536	152,712
Bills payable		14,759	12,747
Contract liabilities		75,255	79,068
Accrued expenses and other payables		225,576	274,509
Amount due to ultimate holding company		20,136	23,478
Income tax payable		10,156	13,575
Lease liabilities		30,919	26,059
		<u>533,337</u>	<u>582,148</u>
Non-current liabilities			
Lease liabilities – non-current		81,741	30,922
Deferred revenue		8,810	8,487
Deferred tax liabilities		2,571	2,369
Other non-current liabilities		7,656	7,109
		<u>100,778</u>	<u>48,887</u>
Total liabilities		<u>634,115</u>	<u>631,035</u>
Equity			
Share capital		453,504	402,130
Reserves		843,844	804,220
Total equity attributable to equity shareholders of the Company		<u>1,297,348</u>	<u>1,206,350</u>
Non-controlling interests		<u>4,075</u>	<u>3,942</u>
Total equity		<u>1,301,423</u>	<u>1,210,292</u>
Total equity and liabilities		<u>1,935,538</u>	<u>1,841,327</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

(Expressed in RMB)

	2022 Million	2021 Million
Net cash generated from operating activities	280,750	314,764
Net cash used in investing activities	(238,053)	(238,296)
Net cash used in financing activities	(120,514)	(45,201)
Net (decrease)/increase in cash and cash equivalents	(77,817)	31,267
Cash and cash equivalents at beginning of year	243,943	212,729
Effect of changes in foreign exchange rate	980	(53)
Cash and cash equivalents at end of year	167,106	243,943

NOTES:

(Expressed in RMB unless otherwise indicated)

1 General Information

China Mobile Limited was incorporated in the Hong Kong Special Administrative Region (“**Hong Kong**”) of the People’s Republic of China (the “**PRC**”) on 3 September 1997. The principal activities of the Company and its subsidiaries are the provision of telecommunications and information related services in the mainland of China and in Hong Kong (for the purpose of preparing the consolidated financial statements, the mainland of China refers to the PRC excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan). The Company’s immediate holding company is China Mobile Hong Kong (BVI) Limited (incorporated in the British Virgin Islands), and the Company’s ultimate holding company is China Mobile Communications Group Co., Ltd. (“**CMCC**”, incorporated in the mainland of China). The address of the Company’s registered office is 60th Floor, The Center, 99 Queen’s Road Central, Hong Kong.

The ordinary shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “**HKEX**”) since 23 October 1997 and the American Depositary Shares (“**ADSs**”) of the Company had been listed on the New York Stock Exchange LLC (the “**NYSE**”) since 22 October 1997. In January 2021, the NYSE announced to commence delisting proceedings of the ADSs of the Company and on 7 May 2021, the NYSE filed a Form 25 with the US Securities and Exchange Commission (the “**SEC**”) to strike the Company’s ADSs from listing and registration. The delisting of the Company’s ADSs became effective on 18 May 2021. On 14 September 2022, the Company filed a Form 15F with the SEC to deregister the ADSs and terminate its reporting obligation, which became effective 90 days after the filing.

On 5 January 2022, the Company completed the initial public offering of ordinary shares subscribed for and traded in RMB (the “**RMB Shares**”), which were listed on the Shanghai Stock Exchange (the “**SHEX**”).

2 Basis of Preparation

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by the IASB. Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), are consistent with IFRSs that relates to the Group’s consolidated financial statements. These consolidated financial statements also comply with HKFRSs, the requirements of Hong Kong Companies Ordinance (Cap. 622), and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKEX (the “**Listing Rules**”).

The financial information relating to the years ended 31 December 2022 and 2021 included in this preliminary announcement of annual results 2022 does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31 December 2022 in due course.

The Company’s auditor has reported on the consolidated financial statements for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

3 Change in Accounting Policies

The following amendments are mandatory for the first time for the Group's financial year beginning on 1 January 2022 and are applicable for the Group:

- Amendments to IAS/HKAS 16, Property, plant and equipment: Proceeds before intended use
- Amendments to IAS/HKAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

The above amendments to IFRS/HKFRS and IAS/HKAS effective for the financial year beginning on 1 January 2022 do not have a material impact on the Group.

In addition, the IASB and HKICPA also published a number of new standards and amendments to standards which are effective for the Group's financial year beginning on or after 1 January 2023 and have not been early adopted by the Group. Management is assessing the impact of such standards and will adopt the relevant standards in the subsequent periods as required.

4 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal financial reports that are provided to and regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") in order to allocate resources and assess performance of the segment. The CODM has been identified as the Executive Directors of the Company. For the years presented, the Group as a whole is an operating segment since the Group is only engaged in telecommunications and information related businesses. No geographical information has been disclosed as the majority of the Group's operating activities are carried out in the mainland of China. The Group's assets located and operating revenue derived from activities outside the mainland of China are less than 5% of the Group's assets and operating revenue, respectively.

5 Operating Revenue

	2022 Million	2021 Million
Revenue from telecommunications services		
Voice services	75,032	76,163
SMS & MMS services	31,344	31,100
Wireless data traffic services	395,933	392,859
Wireline broadband services	105,030	94,230
Applications and information services	182,461	136,961
Others	22,258	20,096
	<u>812,058</u>	<u>751,409</u>
Revenue from sales of products and others	<u>125,201</u>	<u>96,849</u>
	<u><u>937,259</u></u>	<u><u>848,258</u></u>

The majority of the Group's operating revenue is from contracts with customers, and the remaining is not material. Majority of the Group's revenue from contracts with customers was recognized over time.

6 Network Operation and Support Expenses

	Note	2022 Million	2021 Million
Maintenance, operation support and related expenses		161,277	137,095
Power and utilities expenses		39,841	36,878
Charges for use of tower assets	(i) (iii)	26,262	26,248
Charges for use of lines and network assets	(ii) (iii)	8,604	8,272
Charges for use of other assets	(ii) (iii)	7,854	6,521
Others		10,344	9,996
		254,182	225,010

Note:

- (i) Charges for use of tower assets include the non-lease components charges (maintenance, certain ancillary facilities usage and related support services) for use of telecommunications towers and variable lease payments not based on an index or a rate, which are recorded in profit or loss as incurred.
- (ii) Charges for use of lines and network assets and other assets mainly include the non-lease components charges and the lease components charges for lease contracts that are exempted from recognition of right-of-use assets and lease liabilities, such as short-term lease payments, lease payments of low-value assets and variable lease payments not based on an index or a rate, which are recorded in profit or loss as incurred.
- (iii) For the year ended 31 December 2022, short-term lease payments and lease payments of low-value assets amounted to RMB7,081 million (2021: RMB6,576 million), and variable lease payments not based on an index or a rate (mainly about the lease of tower assets), which are recorded in profit or loss as incurred, amounted to RMB6,743 million (2021: RMB7,160 million).

7 Other Operating Expenses

	Note	2022 Million	2021 Million
Interconnection		22,359	20,064
Expected credit impairment losses		4,453	4,171
Write-down of inventories		234	280
Impairment losses of contract assets		284	88
Net loss on disposal and write-off of property, plant and equipment		892	1,748
Co-research and development expenses		6,149	5,708
Auditors' remuneration			
– audit services	(i)	88	92
– other services		2	–
Taxes and surcharges		2,898	2,722
Others	(ii)	14,050	14,361
		<u>51,409</u>	<u>49,234</u>

Note:

- (i) The item (excluding VAT) includes the service fees rendered for the audit of the Group's internal controls over financial reporting as required by relevant regulatory requirements amounted to RMB16 million (2021: RMB18 million).
- (ii) Others consist of administrative expenses and other miscellaneous expenses.

8 Interest and Other Income

	2022 Million	2021 Million
Interest income	10,775	10,934
Net gains on hold/disposal of financial assets	4,954	5,795
	<u>15,729</u>	<u>16,729</u>

9 Taxation

Taxation in the consolidated statement of comprehensive income represents:

	Note	2022 Million	2021 Million
Current tax			
Provision for enterprise income tax in the mainland of China and other countries and regions on the estimated assessable profits for the year	(i)	37,066	38,957
Provision for Hong Kong profits tax on the estimated assessable profits for the year	(ii)	489	431
		<u>37,555</u>	<u>39,388</u>
Deferred tax			
Origination and reversal of temporary differences, net		(277)	(3,510)
		<u>37,278</u>	<u>35,878</u>

Note:

- (i) The provision for enterprise income tax in the mainland of China and other countries and regions has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the regions in which the Group operates. The Company's subsidiaries operate mainly in the mainland of China. The provision for the PRC enterprise income tax is based on the statutory tax rate of 25% (2021: 25%) on the estimated assessable profits determined in accordance with the relevant income tax rules and regulations of the PRC for the year ended 31 December 2022. Certain subsidiaries of the Company entitle to the preferential tax rate of 15% (2021: 15%), and certain research and development costs of the Company's PRC subsidiaries are qualified for 75% (2021: 75%) additional deduction for tax purpose.
- (ii) The provision for Hong Kong profits tax is calculated at 16.5% (2021: 16.5%) of the estimated assessable profits for the year ended 31 December 2022.
- (iii) Pursuant to the "Notice regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management" issued by SAT in 2009 ("2009 Notice"), the Company is qualified as a PRC offshore-registered resident enterprise. Accordingly, the dividend income of the Company from its subsidiaries in the PRC is exempted from PRC enterprise income tax.

10 Earnings Per Share

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2022 is based on the profit attributable to equity shareholders of the Company of RMB125,459 million (2021: RMB116,148 million) and the weighted average number of 21,346,920,449 shares (2021: 20,475,482,897 shares) in issue during the year.

(b) Diluted earnings per share

For the year ended 31 December 2022 and 2021, the Group has considered the impact from the following factors when calculating diluted earnings per share:

- (i) Convertible bonds issued by an associate of the Group (“CB”) that were outstanding during the years;
- (ii) Share options issued by the Company that were outstanding during the years;
- (iii) The RMB Shares publicly offered but had yet to be listed on the SHEX during the years; and
- (iv) The over-allotment option that was outstanding during the year.

Of the above, (i) the CB had no dilutive effect on earnings per share for the year ended 31 December 2022 but not 2021, as the assumed conversion would have increased the profit attributable to equity shareholders of the Company for the year ended 31 December 2022 (2021: decreased).

The following two factors had no dilutive effect for both years, as (ii) the exercise price of the share options exceeded the average market price of the Company’s ordinary shares on the HKEX during the periods the share options were outstanding, (iii) the offer price of the RMB Shares was not lower than its fair value during the period from the beginning of the current year to the completion date of the listing on the SHEX, and during the period from the subscription date to 31 December 2021, respectively.

As (iv) the exercise price of the over-allotment option was lower than the average market price of the RMB Shares during the exercisable period, this factor had a dilutive effect during the year.

For the year ended 31 December 2022, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB125,459 million and the weighted average number of 21,346,970,167 shares in issue after adjusting for the effect of all dilutive potential ordinary shares during the year. As the dilutive effect on earnings per share resulting from the assumed exercise of over-allotment option was negligible, therefore diluted earnings per share were the same as basic earnings per share.

For the year ended 31 December 2021, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB116,120 million as a result of the assumed conversion of CB and the weighted average number of 20,475,482,897 shares in issue during the year.

	2021 Million
Profit attributable to equity shareholders of the Company used in calculating basic earnings per share	116,148
Add: changes in share of profit of the associate	308
Less: fair value gain and interest income relating to the CB held by the Group, net of tax	(336)
	<hr/>
Profit attributable to equity shareholders of the Company used in calculating diluted earnings per share	<u>116,120</u>

11 Dividends

Dividends attributable to the year:

	2022 Million	2021 Million
Ordinary interim dividend declared and paid of HK\$2.200 (equivalent to approximately RMB1.881) (2021: HK\$1.630 (equivalent to approximately RMB1.356)) per share	42,243	27,669
Ordinary final dividend proposed after the balance sheet date of HK\$2.210 (equivalent to approximately RMB1.974) (2021: HK\$2.430 (equivalent to approximately RMB1.987)) per share	42,182	42,443
	<u>84,425</u>	<u>70,112</u>

The proposed/approved ordinary final dividend/ordinary interim dividend per share, which is declared in Hong Kong dollar, is translated into RMB with reference to the exchange rate, being the respective rate announced by the State Administration of Foreign Exchange in the PRC on 30 December 2022 and 30 June 2022 (2021: 31 December 2021 and 30 June 2021).

As the ordinary final dividend was declared after the balance sheet date, such dividend is not recognized as liability as at 31 December 2022. In case of any change in the total number of issued shares of the Company between the date of approval for these financial statements and the record date for the implementation of the 2022 final dividend, the Company intends to keep the amount of dividend per share unchanged and adjust the total amount of profit distribution accordingly.

In accordance with the 2009 Notice and the PRC enterprise income tax law, the Company is required to withhold enterprise income tax equal to 10% of any dividend, when it is distributed to non-resident enterprise shareholders whose names appeared on the Company's register of members for shares listed on the HKEX, as at the record date for such dividend, and who were not individuals.

12 Property, Plant and Equipment

With the accelerating construction of the Group's 5G telecommunications network, changes in subscribers' behaviour and market conditions, the Group continually terminated or retired the inefficient or invalid assets to further improve network quality. During the process, the Group increasingly noted that the corresponding net disposal proceeds of certain assets may not fully compensate their remaining net book value. In 2021, the Group reviewed the residual value rate of assets, and decided to adjust the residual value rate of certain wireless and transmission assets (mainly comprising 2G wireless equipment, telecommunications optic cables and pipelines, etc) to zero. The aforesaid changes in accounting estimates were made using the prospective application method. The depreciation and amortization for the year ended 31 December 2021 increased by approximately RMB9,420 million as a result of the aforesaid changes in accounting estimates.

13 Accounts Receivable

Aging analysis of accounts receivable, net of loss allowance is as follows:

	As at 31 December 2022 Million	As at 31 December 2021 Million
Base on invoice date:		
Within 30 days	14,580	12,198
31 – 60 days	4,197	3,855
61 – 90 days	3,658	4,045
91 days – 1 year	15,033	11,457
Over 1 year	2,777	3,113
	<hr/> 40,245 <hr/>	<hr/> 34,668 <hr/>

The accounts receivable of the Group are primarily comprised of receivables due from customers and other telecommunications operators.

14 Accounts Payable

Accounts payable primarily include payables for expenditure of network expansion, maintenance and support expenses and interconnection expenses, etc.

The aging analysis of accounts payable is as follows:

	As at 31 December 2022 Million	As at 31 December 2021 Million
Base on invoice date:		
Within 180 days	93,269	86,545
181 days – 1 year	26,253	28,948
Over 1 year	37,014	37,219
	<hr/> 156,536 <hr/>	<hr/> 152,712 <hr/>

All the accounts payable are expected to be settled within one year or are repayable on demand.

15 Capital Commitments

The Group's capital expenditure contracted for as at 31 December but not provided for in the consolidated financial statements are as follows:

	2022 Million	2021 Million
Land and buildings	2,205	4,049
Telecommunications equipment and others	27,552	29,510
	<u>29,757</u>	<u>33,559</u>

16 Events After the Reporting Period

Proposed dividend

After the balance sheet date, the Board of Directors proposed a final dividend for the year ended 31 December 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company bought back a total of 15,424,000 shares in the Company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”, and such shares, the “**Hong Kong Shares**”) on the Hong Kong Stock Exchange for an aggregate price of HK\$865,946,546.35 (excluding expenses) during the year ended 31 December 2022 and such Hong Kong Shares bought back were cancelled, details of which are as follows:

Date of buy-back	Number of Hong Kong Shares bought back	Price paid per Hong Kong Share		Aggregate price paid (excluding expenses) HK\$
		Highest HK\$	Lowest HK\$	
10 February 2022	7,303,500	58.15	56.65	422,227,750.95
15 February 2022	2,329,500	54.60	54.25	126,862,240.50
17 February 2022	1,900,000	54.55	54.15	103,363,990.00
18 February 2022	3,630,000	55.00	54.20	199,138,896.00
22 February 2022	261,000	55.00	54.95	14,353,668.90
	<u>15,424,000</u>			<u>865,946,546.35</u>

The Board of Directors of the Company (the “**Board**”) believes that such buy-backs of Hong Kong Shares would benefit the Company and its shareholders, and would lead to an enhancement of the net value of the Company and its assets and/or its earnings per share.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2022.

AUDIT COMMITTEE

The Audit Committee reviewed the Group's audited financial statements for the year ended 31 December 2022. Based on the review and discussions with management, the Audit Committee was satisfied that these statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the year ended 31 December 2022.

COMPLIANCE WITH THE CODE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

For the year ended 31 December 2022, the Company complied with all the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

ANNUAL GENERAL MEETING

The 2023 annual general meeting of the Company (the “**2023 AGM**”) will be held in the Grand Ballroom, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 24 May 2023 at 10:00 a.m. The notice of the 2023 AGM, the accompanying circular and the proxy form will be despatched to holders of Hong Kong Shares in accordance with the Hong Kong Listing Rules.

CLOSURE OF REGISTER OF MEMBERS FOR HONG KONG SHARES

The register of members of the Company for the Hong Kong Shares will be closed during the following periods:

- i. from Friday, 19 May 2023 to Wednesday, 24 May 2023 (both days inclusive) for the purpose of ascertaining entitlement of holders of Hong Kong Shares to attend and vote at the 2023 AGM. In order to be eligible to attend and vote at the 2023 AGM, all transfers of Hong Kong Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 18 May 2023; and
- ii. from Friday, 9 June 2023 to Tuesday, 13 June 2023 (both days inclusive) for the purpose of ascertaining entitlement of holders of Hong Kong Shares to the 2022 final dividend (the "**2022 Final Dividend**"). In order to qualify for the 2022 Final Dividend, all transfers of Hong Kong Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 8 June 2023.

Subject to the approval by shareholders at the 2023 AGM, the 2022 Final Dividend will be paid on or about Monday, 26 June 2023 to those holders of Hong Kong Shares on the register of members on Tuesday, 13 June 2023 (the "**Record Date**").

WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISES IN RESPECT OF 2022 FINAL DIVIDEND

Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" (the "**Enterprise Income Tax Law**"), the "Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People's Republic of China" and the "Notice regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management", the Company is required to withhold and pay 10 per cent. enterprise income tax on the distribution of the 2022 Final Dividend to non-resident enterprise holders of Hong Kong Shares. The withholding and payment obligation lies with the Company. In respect of all holders of Hong Kong Shares whose names appear on the Company's register of members as at the Record Date who are not individuals (including HKSCC Nominees Limited ("**HKSCC**"), other corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as non-resident enterprise holders of Hong Kong Shares), the Company will distribute the 2022 Final Dividend after deducting enterprise income tax of 10 per cent.. The Company will not withhold and pay the individual income tax in respect of the 2022 Final Dividend payable to any natural person holders of Hong Kong Shares whose names appear on the Company's register of members as at the Record Date.

If any resident enterprise (as defined in the Enterprise Income Tax Law) holder of Hong Kong Shares listed on the Company's register of members which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire to have the Company withhold and pay the said 10 per cent. enterprise income tax, it shall lodge with Hong Kong Registrars Limited documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the dividend to which it is entitled not later than 4:30 p.m. on Thursday, 8 June 2023.

Investors who invest in Hong Kong Shares through the Shanghai Stock Exchange or the Shenzhen Stock Exchange (the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect investors), whether natural persons or enterprises, are investors who hold Hong Kong Shares through HKSCC, and in accordance with the above requirements, the Company will pay to HKSCC the amount of the 2022 Final Dividend after withholding for payment the 10 per cent. enterprise income tax.

Investors should read this announcement carefully. If anyone would like to change the identity of the holders of Hong Kong Shares in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for non-resident enterprise holders of Hong Kong Shares strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company's register of members on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the holders of Hong Kong Shares or any disputes over the mechanism of withholding and payment of enterprise income tax.

PUBLICATION OF 2022 ANNUAL RESULTS AND 2022 ANNUAL REPORT

This announcement is published on the HKEXnews website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://www.chinamobileltd.com>. The 2022 Annual Report prepared in accordance with relevant requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Hong Kong Listing Rules will be despatched to holders of Hong Kong Shares and be available on the aforesaid websites.

The consolidated financial information set out above does not constitute the Company's statutory financial statements for the year ended 31 December 2022 but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2022, which contain an unqualified auditor's report, will be delivered to the Registrar of Companies as well as made available on the Company's website at <http://www.chinamobileltd.com>.

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.