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CHINA MOBILE LIMITED

中國移動有限公司

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

(Stock Code: 941)

RESULTS FOR THE FIRST QUARTER OF 2023

The unaudited results and performance indicators of the Group for the first quarter of 2023:

- Operating revenue was RMB250.7 billion, up by 10.3% over the same period last year; of which, revenue from telecommunications services was RMB209.8 billion, up by 8.3% over the same period last year
- Profit attributable to equity shareholders was RMB28.1 billion, up by 9.5% over the same period last year
- EBITDA was RMB79.9 billion, up by 4.9% over the same period last year
- Mobile customers amounted to 983 million; of which, 5G package customers amounted to 689 million
- Wireline broadband customers amounted to 281 million

SELECTED UNAUDITED KEY PERFORMANCE INDICATORS

Financial Data

	For the period from 1 January 2023 to 31 March 2023	For the period from 1 January 2022 to 31 March 2022	Change
Operating Revenue (RMB)	250.7 billion	227.3 billion	10.3%
Of which, Revenue from Telecommunications Services (RMB)	209.8 billion	193.8 billion	8.3%
Sales of Products and Others (RMB)	40.9 billion	33.5 billion	21.9%
EBITDA ¹ (RMB)	79.9 billion	76.1 billion	4.9%
EBITDA Margin ²	31.8%	33.5%	
Profit before Taxation (RMB)	36.5 billion	33.6 billion	8.5%
Profit Attributable to Equity Shareholders (RMB)	28.1 billion	25.6 billion	9.5%
Margin of Profit Attributable to Equity Shareholders	11.2%	11.3%	

¹ EBITDA = profit from operations + depreciation and amortization

² EBITDA margin = EBITDA/operating revenue

Operating Data

	As at 31 March 2023/ For the period from 1 January 2023 to 31 March 2023	As at 31 December 2022/ For the period from 1 October 2022 to 31 December 2022
Mobile Business		
Total Customers	983 million	975 million
Net Additional Customers *	7.75 million	0.97 million
5G Package Customers	689 million	614 million
5G Network Customers	363 million	327 million
Average Revenue per User per Month (ARPU) (RMB/user/month) *	47.9	43.9
Total Voice Usage (minutes) *	714.9 billion	754.4 billion
Average Minutes of Usage per User per Month (MOU) (minutes/user/month) *	247	256
Handset Data Traffic (GB) *	37.6 billion	40.2 billion
Average Handset Data Traffic per User per Month (DOU) (GB/user/month) *	14.7	15.5
Wireline Broadband Business		
Total Customers	281 million	272 million
Net Additional Customers *	8.72 million	7.25 million
Average Revenue per User per Month (ARPU) (RMB/user/month) *	31.4	32.1

* for the relevant reporting period

In the first quarter of 2023, the Group continued to pursue stable-to-rising growth and further implemented its overarching development strategy to establish a world-class “Powerhouse”. It sped up the “two changes”, made concerted efforts towards the “two new elements” and proactively unleashed the “five benefits”. As a result, the Group’s key operating performance indicators followed the favourable growth momentum of last year.

For the “Customer” market, the Group furthered the integrated operation of data access, applications and customer benefits, taking measures to intensively cultivate target market segments, strengthen the foundation of its customer base, optimize its customer structure, stimulate data usage and drive value growth. As at 31 March 2023, the Group has obtained a total of around 983 million mobile customers; of which, the numbers of 5G package customers and 5G network customers reached 689 million and 363 million respectively. During the first quarter of the year, the Group’s data traffic business maintained stable growth with handset data traffic recording a year-on-year increase of 15.4% and handset data DOU amounting to 14.7GB. Total voice usage increased by 0.9% year-on-year to 714.9 billion minutes. Mobile ARPU increased by 0.8% year-on-year to RMB47.9.

For the “Home” market, the Group persistently tapped into the value potential of full-gigabit network and cloud-based applications. It accelerated the advancement of gigabit broadband, promoted the scale development of proven smart home applications and proactively created new HDICT (home data, information and communications technology) scenarios to maximize the value contribution from the smart home business. As at 31 March 2023, the Group’s total number of wireline broadband customers was 281 million, with a quarterly net increase of 8.72 million; of which, the number of household broadband customers reached 251 million, with a quarterly net increase of 7.00 million. For the first quarter of the year, wireline broadband ARPU dropped by 3.1% year-on-year to RMB31.4. Household customer blended ARPU grew by 3.5% year-on-year to RMB39.2.

For the “Business” market, the Group endeavoured to promote the scale and integrated development of networks, cloud and DICT (data, information and communications technology), with efforts to enhance both quality and quantity of the basic services under this business line. It has also been replicating and promoting proven industry applications on a larger scale while continuously optimizing and expanding the Mobile Cloud. These efforts bore fruit and the “Business” market maintained robust revenue growth momentum. For the first quarter of the year, the Group’s DICT revenue grew by 23.9% year-on-year to RMB29.4 billion.

The Group saw a good start for 2023 with telecommunications services revenue growing by 8.3% year-on-year to RMB209.8 billion for the first quarter of 2023. The Group's revenue from sales of products and others increased by 21.9% year-on-year to RMB40.9 billion.

Profit attributable to equity shareholders of the Group increased by 9.5% year-on-year to RMB28.1 billion for the first quarter of 2023. Margin of profit attributable to equity shareholders was 11.2%. EBITDA went up by 4.9% year-on-year to RMB79.9 billion, with EBITDA as a percentage of telecommunications services revenue standing at 38.1%.

As the Group expedites the construction and commissioning of the new information infrastructure centering 5G, CFN (computing force network) and capability middle platform, it has robust demands for resources relating to areas including business transformation and the deployment of core capabilities. The Group will continue to explore new sources to increase revenue, and at the same time take measures to lower costs and enhance efficiency. It will continue to give first priority to quality, while also maintaining a strong focus on efficiency. It will also precisely allocate its resources by ensuring a sufficient budget for areas essential to promote growth, while reducing and controlling expenses on certain selected areas. While making an all-out effort to press ahead with key plans, the Group will strive to achieve favourable growth in telecommunications services revenue and net profit for the full year of 2023, maintain good profitability and continuously create value for investors.

GROUP RESULTS

China Mobile Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2023, which have been prepared in accordance with International Financial Reporting Standards.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three months ended 31 March 2023

(Expressed in Renminbi (“**RMB**”))

	Three months ended 31 March	
	2023	2022
	Million	Million
Operating revenue		
Revenue from telecommunications services	209,837	193,754
Revenue from sales of products and others	40,909	33,566
	<u>250,746</u>	<u>227,320</u>
Operating expenses		
Network operation and support expenses	72,935	67,746
Depreciation and amortization	52,273	51,474
Employee benefit and related expenses	33,534	29,969
Selling expenses	13,156	11,592
Cost of products sold	40,089	31,040
Other operating expenses	11,181	10,878
	<u>223,168</u>	<u>202,699</u>
Profit from operations	27,578	24,621
Other gains	1,483	1,539
Interest and other income	5,247	4,022
Finance costs	(937)	(599)
Income from investments accounted for using the equity method	3,133	4,059
	<u>36,504</u>	<u>33,642</u>
Profit before taxation	36,504	33,642
Taxation	<u>(8,421)</u>	<u>(7,986)</u>
PROFIT FOR THE PERIOD	<u>28,083</u>	<u>25,656</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

for the three months ended 31 March 2023

(Expressed in RMB)

	Three months ended 31 March	
	2023	2022
	Million	Million
Other comprehensive income for the period, 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	38	(151)
Share of other comprehensive loss of investments accounted for using the equity method	(5)	(7)
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	(592)	(215)
Share of other comprehensive loss of investments accounted for using the equity method	(161)	(236)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>27,363</u>	<u>25,047</u>
Profit attributable to:		
Equity shareholders of the Company	28,067	25,624
Non-controlling interests	16	32
PROFIT FOR THE PERIOD	<u>28,083</u>	<u>25,656</u>
Total comprehensive income attributable to:		
Equity shareholders of the Company	27,347	25,015
Non-controlling interests	16	32
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>27,363</u>	<u>25,047</u>
Earnings per share – Basic	<u>RMB1.31</u>	<u>RMB1.20</u>
Earnings per share – Diluted	<u>RMB1.31</u>	<u>RMB1.20</u>

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

as at 31 March 2023

(Expressed in RMB)

	As at 31 March 2023 Million	As at 31 December 2022 Million
Assets		
Non-current assets		
Property, plant and equipment	714,373	741,029
Construction in progress	90,899	73,087
Right-of-use assets	108,104	108,749
Land use rights	15,134	15,244
Goodwill	35,301	35,301
Other intangible assets	7,684	8,691
Investments accounted for using the equity method	178,994	175,649
Deferred tax assets	44,922	43,638
Financial assets measured at fair value through other comprehensive income	520	490
Financial assets measured at fair value through profit or loss	206,530	187,130
Other financial assets measured at amortized cost	12,253	9,716
Bank deposits	45,081	45,887
Other non-current assets	34,415	34,556
	<u>1,494,210</u>	<u>1,479,167</u>
Current assets		
Inventories	15,146	11,696
Contract assets	13,048	13,657
Accounts receivable	68,528	40,245
Other receivables	17,020	12,838
Amount due from ultimate holding company	2,282	2,537
Prepayments and other current assets	27,519	26,257
Prepaid income tax	292	1,055
Other financial assets measured at amortized cost	21,840	16,300
Financial assets measured at fair value through profit or loss	107,160	108,303
Bank deposits	32,164	56,377
Cash and cash equivalents	193,648	167,106
	<u>498,647</u>	<u>456,371</u>
Total assets	<u>1,992,857</u>	<u>1,935,538</u>

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

as at 31 March 2023

(Expressed in RMB)

	As at 31 March 2023 Million	As at 31 December 2022 Million
Equity and liabilities		
Liabilities		
Current liabilities		
Accounts payable	174,019	156,536
Bills payable	15,752	14,759
Contract liabilities	88,915	75,255
Accrued expenses and other payables	230,343	225,576
Amount due to ultimate holding company	7,793	20,136
Income tax payable	11,834	10,156
Lease liabilities	31,745	30,919
	<u>560,401</u>	<u>533,337</u>
Non-current liabilities		
Lease liabilities – non-current	83,831	81,741
Deferred revenue	8,810	8,810
Deferred tax liabilities	2,979	2,571
Other non-current liabilities	7,615	7,656
	<u>103,235</u>	<u>100,778</u>
Total liabilities	<u>663,636</u>	<u>634,115</u>
Equity		
Share capital	453,760	453,504
Reserves	871,370	843,844
Total equity attributable to equity shareholders of the Company	<u>1,325,130</u>	<u>1,297,348</u>
Non-controlling interests	<u>4,091</u>	<u>4,075</u>
Total equity	<u>1,329,221</u>	<u>1,301,423</u>
Total equity and liabilities	<u>1,992,857</u>	<u>1,935,538</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the three months ended 31 March 2023
(Expressed in RMB)

	Three months ended 31 March	
	2023	2022
	Million	Million
Operating activities		
Profit before taxation	36,504	33,642
Adjustments for:		
– Depreciation and amortization	52,273	51,474
– Interest and other income	(5,247)	(4,022)
– Finance costs	937	599
– Income from investments accounted for using the equity method	(3,133)	(4,059)
– Others	4,524	3,320
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Operating cash flows before changes in working capital	85,858	80,954
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Changes in working capital		
– Increase in inventories	(3,641)	(7,248)
– Decrease/(increase) in contract assets	568	(900)
– Increase in accounts receivable	(32,461)	(16,503)
– Increase in accounts payable	21,817	18,452
– Increase in contract liabilities	13,660	12,571
– Others	(3,116)	(1,282)
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Cash generated from operations	82,685	86,044
Tax paid		
– The mainland of China and other countries and regions’ enterprise income tax paid	(7,099)	(8,165)
– Hong Kong profits tax paid	(381)	(109)
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Net cash generated from operating activities	75,205	77,770
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)**

for the three months ended 31 March 2023

(Expressed in RMB)

	Three months ended 31 March	
	2023	2022
	Million	Million
Investing activities		
Payment for property, plant and equipment	(36,935)	(40,438)
Payment for land use rights	(9)	(22)
Payment for other intangible assets	(302)	(404)
Proceeds from disposal and write-off of property, plant and equipment	80	65
Decrease in bank deposits	24,673	12,421
Increase in other financial assets measured at amortized cost	(7,876)	(4,927)
Interest and other finance income received	1,600	2,172
Dividends received from investments accounted for using the equity method	–	131
Proceeds from disposal of investments accounted for using the equity method	79	–
Purchase of financial assets measured at fair value through profit or loss	(17,000)	(34,400)
Proceeds from disposal of financial assets measured at fair value through profit or loss	2,659	44,985
Others	(690)	–
Net cash used in investing activities	(33,721)	(20,417)
Financing activities		
Subscription funds received from issuance of RMB Shares	–	3,252
Proceeds received from exercise of share options	247	–
Interest paid in relation to short-term deposits placed by CMCC Group	(12)	(23)
Net repayment of short-term deposits placed by CMCC Group	(10,305)	(14,350)
Repayment of principal and interest of lease liabilities	(4,641)	(6,283)
Payment for purchase of own shares	–	(707)
Others	(8)	(16)
Net cash used in financing activities	(14,719)	(18,127)
Net increase in cash and cash equivalents	26,765	39,226
Cash and cash equivalents, beginning of period	167,106	243,943
Effect of changes in foreign exchange rate	(223)	(55)
Cash and cash equivalents, end of period	193,648	283,114

The Board wishes to remind investors that the above results and performance indicators are based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such data.

In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.

By Order of the Board
China Mobile Limited
Yang Jie
Chairman

Hong Kong, 20 April 2023

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.