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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 Codes: 941 (HKD Counter) and 80941 (RMB Counter)

RESULTS FOR THE FIRST THREE QUARTERS OF 2023

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

- Operating revenue was RMB775.6 billion, up by 7.2% year-on-year; of which, revenue from telecommunications services was RMB664.6 billion, up by 7.2% year-on-year
- EBITDA was RMB268.5 billion, up by 6.7% year-on-year
- Profit attributable to equity shareholders was RMB105.5 billion, up by 7.1% year-on-year
- Mobile customers amounted to 990 million; of which, 5G package customers amounted to 750 million
- Wireline broadband customers amounted to 295 million

SELECTED UNAUDITED KEY PERFORMANCE INDICATORS

Financial Data

	For the period from 1 January 2023 to 30 September 2023	For the period from 1 January 2022 to 30 September 2022	Change
Operating Revenue (RMB)	775.6 billion	723.5 billion	7.2%
Of which, Revenue from			
Telecommunications Services (RMB)	664.6 billion	620.1 billion	7.2%
Sales of Products and Others (RMB)	111.0 billion	103.4 billion	7.4%
EBITDA ¹ (RMB)	268.5 billion	251.5 billion	6.7%
EBITDA Margin ²	34.6%	34.8%	
Profit before Taxation (RMB)	137.8 billion	128.0 billion	7.7%
Profit Attributable to			
Equity Shareholders (RMB)	105.5 billion	98.5 billion	7.1%
Margin of Profit Attributable to Equity Shareholders	13.6%	13.6%	

¹ EBITDA = profit from operations + depreciation and amortization

² EBITDA margin = EBITDA/operating revenue

Operating Data

	As at 30 September 2023/ For the period from 1 January 2023 to 30 September 2023	As at 30 June 2023/ For the period from 1 January 2023 to 30 June 2023
Mobile Business		
Total Customers	990 million	985 million
Net Additional Customers *	15.02 million	10.38 million
5G Package Customers	750 million	722 million
5G Network Customers	425 million	393 million
Average Revenue per User per Month (ARPU) (RMB/user/month) *	51.2	52.4
Total Voice Usage (minutes) *	2,163.0 billion	1,440.2 billion
Average Minutes of Usage per User per Month (MOU) (minutes/user/month) *	245	247
Handset Data Traffic (GB) *	121.4 billion	79.6 billion
Average Handset Data Traffic per User per Month (DOU) (GB/user/month) *	15.6	15.5
Broadband Business		
Total Wireline Broadband Customers	295 million	286 million
Net Additional Wireline Broadband Customers *	22.52 million	14.24 million

* for the relevant reporting period

In the first three quarters of 2023, the Group worked closely together as a solid team to seize the valuable opportunities arising from the flourishing digital economy, deepening the implementation of the world-class “Powerhouse” development strategy. It systematically built its new information infrastructure centering around 5G, computing force network (CFN) and capability middle platform, and innovatively created a new information services system equipped with connectivity, computing force and capability. The Group fostered deeper reforms and innovation, and achieved favorable business results.

For the “Customer” market, the Group strengthened the integration of data access, applications and customer benefits, stepped up its efforts towards universal 5G adoption and continued to strengthen its customer base. As at 30 September 2023, the Group had a total of 990 million mobile customers; of which, the numbers of 5G package customers and 5G network customers reached 750 million and 425 million respectively. In the first three quarters of the year, the Group’s data traffic business maintained stable growth with handset data traffic recording a year-on-year increase of 16.2% and handset data DOU amounting to 15.6GB. Mobile ARPU increased by 1.0% year-on-year to RMB51.2.

For the “Home” market, the Group captured the value potential of full-gigabit network and cloud-based applications by deepening its leadership in four areas – gigabit broadband, content-driven TV, platform-based IoT, and ecosystem-enabled HDICT (home data, information and communications technology). The Group’s “Home” market recorded favorable growth. As at 30 September 2023, the Group’s total number of wireline broadband customers was 295 million, with a net increase of 22.52 million in the first three quarters of the year; of which, the number of household broadband customers reached 262 million, with a net increase of 17.86 million in the first three quarters of the year. Household customer blended ARPU grew by 2.4% year-on-year to RMB42.1 in the first three quarters of the year.

For the “Business” market, the Group focused its efforts on the integrated development of network, cloud and DICT (data, information and communications technology). It fully leveraged its advantage in cloud and network resources and maintained strong revenue growth momentum. In the first three quarters of the year, DICT revenue grew by 26.4% year-on-year to RMB86.6 billion.

The Group’s operating revenue grew by 7.2% year-on-year to RMB775.6 billion for the first three quarters of 2023. Of which, revenue from telecommunications services grew by 7.2% year-on-year to RMB664.6 billion, and that from sales of products and others increased by 7.4% year-on-year to RMB111.0 billion.

Profit attributable to equity shareholders increased by 7.1% year-on-year to RMB105.5 billion for the first three quarters of 2023. Margin of profit attributable to equity shareholders was 13.6%. EBITDA went up by 6.7% year-on-year to RMB268.5 billion, with EBITDA as a percentage of telecommunications services revenue standing at 40.4%.

The Group will continue to seek progress while maintaining stability, taking concrete steps to enhance quality and efficiency, systematic management, lean management, as well as risk prevention and control, with ongoing measures to stimulate the momentum of value creation. It will foster favourable growth in revenue and net profit for the full year of 2023 and promote high-quality development, consistently bringing more value to its shareholders and customers.

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 nine months ended 30 September 2023, which have been prepared in accordance with International Financial Reporting Standards.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the nine months ended 30 September 2023
(Expressed in Renminbi (“**RMB**”))

	Nine months ended 30 September	
	2023	2022
	Million	Million
Operating revenue		
Revenue from telecommunications services	664,557	620,137
Revenue from sales of products and others	111,003	103,350
	<u>775,560</u>	<u>723,487</u>
Operating expenses		
Network operation and support expenses	205,485	195,650
Depreciation and amortization	155,038	149,337
Employee benefit and related expenses	104,605	96,676
Selling expenses	38,934	37,320
Cost of products sold	109,182	101,448
Other operating expenses	48,859	40,860
	<u>662,103</u>	<u>621,291</u>
Profit from operations	113,457	102,196
Other gains	5,101	5,055
Interest and other income	15,360	13,577
Finance costs	(2,635)	(1,761)
Income from investments accounted for using the equity method	6,565	8,888
Profit before taxation	137,848	127,955
Taxation	(32,237)	(29,321)
PROFIT FOR THE PERIOD	<u>105,611</u>	<u>98,634</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

for the nine months ended 30 September 2023

(Expressed in RMB)

	Nine months ended	
	30 September	
	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	55	(310)
Share of other comprehensive loss of investments accounted for using the equity method	(93)	(9)
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	1,193	2,840
Share of other comprehensive income/(loss) of investments accounted for using the equity method	534	(772)
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(42)	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	107,258	100,383
Profit attributable to:		
Equity shareholders of the Company	105,506	98,532
Non-controlling interests	105	102
PROFIT FOR THE PERIOD	105,611	98,634
Total comprehensive income attributable to:		
Equity shareholders of the Company	107,153	100,281
Non-controlling interests	105	102
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	107,258	100,383
Earnings per share – Basic	RMB4.94	RMB4.62
Earnings per share – Diluted	RMB4.93	RMB4.62

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 September 2023

(Expressed in RMB)

	As at 30 September 2023 Million	As at 31 December 2022 Million
Assets		
Non-current assets		
Property, plant and equipment	728,747	741,029
Construction in progress	82,262	73,087
Right-of-use assets	98,209	108,749
Land use rights	14,949	15,244
Goodwill	35,301	35,301
Other intangible assets	7,536	8,691
Investments accounted for using the equity method	179,372	175,649
Deferred tax assets	47,447	43,638
Financial assets measured at fair value through other comprehensive income	1,967	490
Financial assets measured at fair value through profit or loss	182,751	187,130
Other financial assets measured at amortized cost	12,252	9,716
Bank deposits	40,571	45,887
Other non-current assets	40,899	34,556
	<u>1,472,263</u>	<u>1,479,167</u>
Current assets		
Inventories	13,830	11,696
Contract assets	15,292	13,657
Accounts receivable	69,140	40,245
Other receivables	12,576	12,838
Amount due from ultimate holding company	2,176	2,537
Prepayments and other current assets	28,414	26,257
Prepaid income tax	1,217	1,055
Other financial assets measured at amortized cost	11,676	16,300
Financial assets measured at fair value through profit or loss	132,607	108,303
Bank deposits	47,902	56,377
Cash and cash equivalents	177,383	167,106
	<u>512,213</u>	<u>456,371</u>
Total assets	<u><u>1,984,476</u></u>	<u><u>1,935,538</u></u>

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

as at 30 September 2023

(Expressed in RMB)

	As at 30 September 2023 Million	As at 31 December 2022 Million
Equity and liabilities		
Liabilities		
Current liabilities		
Accounts payable	179,233	156,536
Bills payable	15,448	14,759
Contract liabilities	58,615	75,255
Accrued expenses and other payables	254,906	225,576
Amount due to ultimate holding company	12,155	20,136
Income tax payable	18,739	10,156
Lease liabilities	33,010	30,919
	<u>572,106</u>	<u>533,337</u>
Non-current liabilities		
Lease liabilities – non-current	73,210	81,741
Deferred revenue	9,213	8,810
Deferred tax liabilities	2,901	2,571
Other non-current liabilities	7,817	7,656
	<u>93,141</u>	<u>100,778</u>
Total liabilities	<u>665,247</u>	<u>634,115</u>
Equity		
Share capital	454,831	453,504
Reserves	860,242	843,844
Total equity attributable to equity shareholders of the Company	<u>1,315,073</u>	<u>1,297,348</u>
Non-controlling interests	<u>4,156</u>	<u>4,075</u>
Total equity	<u>1,319,229</u>	<u>1,301,423</u>
Total equity and liabilities	<u><u>1,984,476</u></u>	<u><u>1,935,538</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended 30 September 2023
(Expressed in RMB)

	Nine months ended	
	30 September	
	2023	2022
	Million	Million
Operating activities		
Profit before taxation	137,848	127,955
Adjustments for:		
– Depreciation and amortization	155,038	149,337
– Interest and other income	(15,360)	(13,577)
– Finance costs	2,635	1,761
– Income from investments accounted for using the equity method	(6,565)	(8,888)
– Others	13,606	8,363
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Operating cash flows before changes in working capital	287,202	264,951
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Changes in working capital		
– Increase in inventories	(2,301)	(5,560)
– Increase in contract assets	(1,837)	(4,954)
– Increase in accounts receivable	(41,538)	(35,683)
– Increase in accounts payable	19,977	15,451
– Decrease in contract liabilities	(16,640)	(6,186)
– Changes in other working capital	19,899	30,731
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Cash generated from operations	264,762	258,750
Tax paid		
– The mainland of China and other countries and regions’ enterprise income tax paid	(26,709)	(31,002)
– Hong Kong profits tax paid	(375)	(156)
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Net cash generated from operating activities	237,678	227,592
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)**

for the nine months ended 30 September 2023

(Expressed in RMB)

	Nine months ended	
	30 September	
	2023	2022
	Million	Million
Investing activities		
Payment for property, plant and equipment	(118,383)	(133,901)
Payment for land use rights	–	(60)
Payment for other intangible assets	(2,553)	(2,632)
Proceeds from disposal and write-off of property, plant and equipment	281	406
Decrease in bank deposits	13,227	6,682
Decrease in other financial assets measured at amortized cost (including non-current portion)	2,450	5,753
Interest and other finance income received	5,801	10,225
Proceeds from partial disposal of investments accounted for using the equity method	1,788	–
Purchase of investments accounted for using the equity method	(1,988)	–
Dividends received from investments accounted for using the equity method	3,630	3,703
Purchase of financial assets measured at fair value through profit or loss	(17,101)	(99,000)
Proceeds from disposal of financial assets measured at fair value through profit or loss	6,568	60,305
Purchase of financial assets measured at fair value through other comprehensive income	(1,418)	–
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	–	22
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Net cash used in investing activities	(107,698)	(148,497)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)**

for the nine months ended 30 September 2023

(Expressed in RMB)

	Nine months ended	
	30 September	
	2023	2022
	Million	Million
Financing activities		
Proceeds received from exercise of share options	1,232	–
Proceeds received from exercise of over-allotment of RMB Shares	–	3,286
Dividends paid to the Company’s equity shareholders	(91,088)	(84,920)
Interest paid in relation to short-term deposits placed by CMCC Group	(30)	(55)
Net repayment of short-term deposits placed by CMCC Group	(9,550)	(16,781)
Repayment of principal and interest of lease liabilities	(20,723)	(19,356)
Payment for purchase of own shares	–	(707)
Others	(49)	(97)
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Net cash used in financing activities	(120,208)	(118,630)
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Net increase/(decrease) in cash and cash equivalents	9,772	(39,535)
Cash and cash equivalents, beginning of period	167,106	243,943
Effect of changes in foreign exchange rate	505	886
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Cash and cash equivalents, end of period	177,383	205,294
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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 October 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.