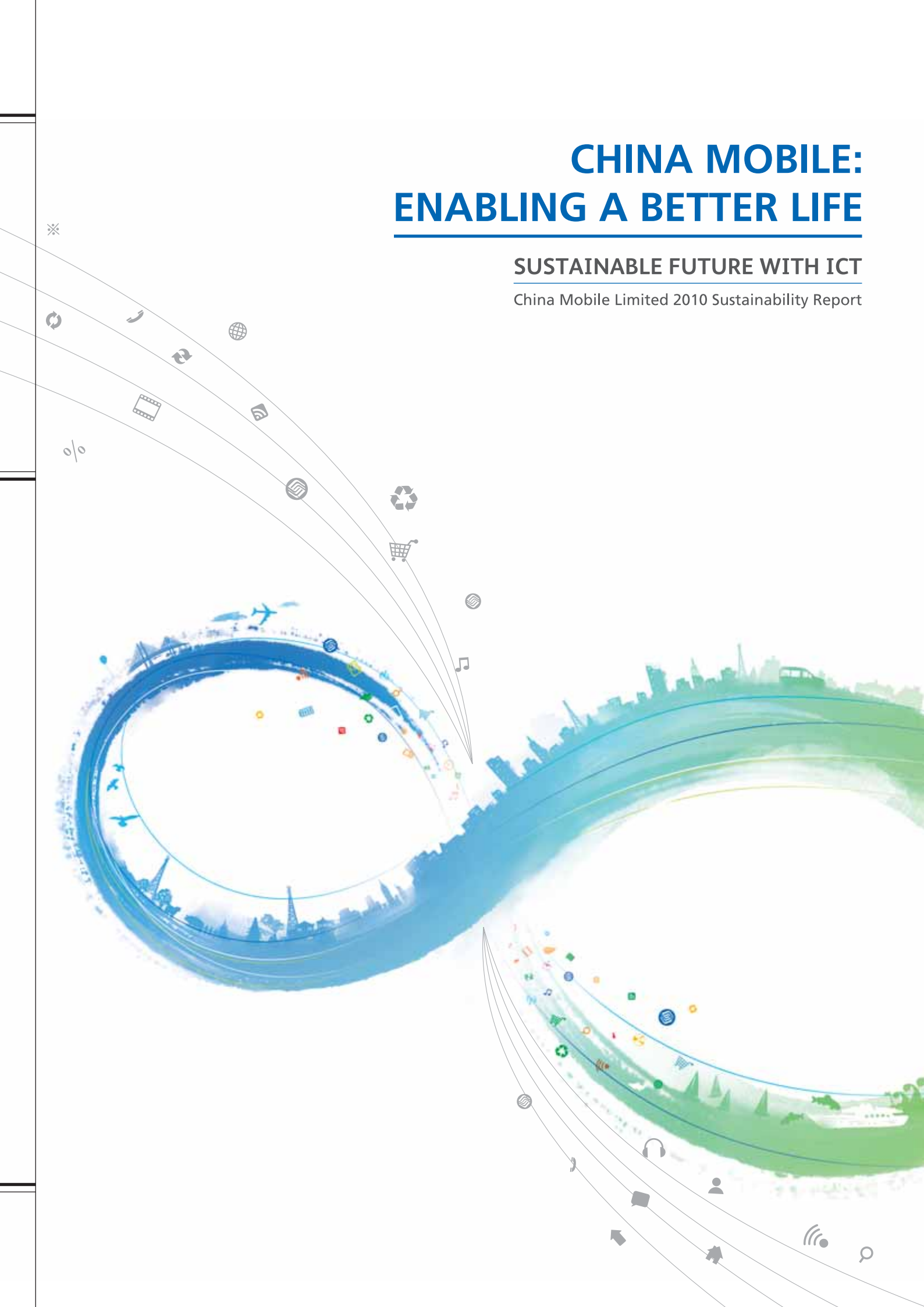# CHINA MOBILE: ENABLING A BETTER LIFE

SUSTAINABLE FUTURE WITH ICT

China Mobile Limited 2010 Sustainability Report

O CHAIRMAN'S STATEMENT

【 China Mobile: Enabling A Better Life 】

Mr. WANG Jianzhou
Chairman, China Mobile Limited

With the growing popularity of smartphones and the expansion of wireless broadband network, the era of Mobile Internet has arrived. Ubiquitous network access, customised applications, and open and mutually beneficial innovative business models have inspired immense potential and vigor. In the meantime, the Internet of Things also shows strong growth potential...these developments have visibly expedited changes in our lives. In rural areas, our Rural Information Network provides farmers with agricultural technology support, market information on agricultural products, job information, and other customised services, while scientific cultivation, remote management, and product tracing systems based on mobile communications technology are rapidly changing the conventional model of agricultural production. In urban areas, various mobile information applications are improving efficiency and triggering transformative structural changes across areas such as traffic control, food safety, municipal administration, commerce and finance, education and culture, and medical care. We are now very close to a "Wireless City".

Mobile technology not only changes our lives, but it also makes them better.

As the largest telecommunications operator in the world by customer base and network size, it is our business goal and mission to enable mobile communications to bring people a richer variety of applications and to allow people to enjoy better lives. For this very reason, with the vision of "Mobile Changes Life", we devote ourselves to innovatively developing and offering enhanced mobile information solutions, thereby striving to make people's lives more convenient, moving towards a "Wireless City", building a "New Countryside", promoting a low-carbon society, and improving people's lives.

We focus highly on technology research and innovation, actively probing into new businesses, new models and new areas on the development of the telecommunications industry and continuously search for a "Blue Ocean" for our industry. We strive to create a platform for the development of our employees and a harmonious working environment to allow our employees to be the internal driving force behind our sustainable development. We endeavour to improve our network and service quality, actively respond to the needs of customers and protect their legitimate rights and interests, and offer "Customer Satisfaction 100" service. We are devoted to narrowing the digital divide so that informatisation can improve the lives of people in different regions, at different ages, of different ethnicities, and of different conditions. We constantly focus on climate change and while performing holistic management of our environmental footprint to achieve our emissions reduction target, we also support the low-carbon transformation of society by actively developing environmentally friendly and low-carbon information applications. We actively develop the "Wireless City" and provide extensive individual information services and customised industry solutions to make peoples' lives better, stimulate economic activities and create good social and environmental benefits. We strive to be a good corporate citizen and continue to play an important role in building a harmonious society through our support for education, poverty alleviation, employment promotion, and community development. In 2010, China Mobile was selected as the only Mainland Chinese enterprise in the Dow Jones Sustainability Indexes (DJSI) for the third consecutive year, and was included in the newly launched Hang Seng Corporate Sustainability Index Series. These recognitions affirm our position as a socially responsible corporation and our commitment towards sustainability.

We believe that the sustainability of an enterprise is dependent on and closely associated with the overall sustainability of society. We will continue to fulfil our long-term commitment of "Growing Together Harmoniously" with stakeholders in the process of "Mobile Changes Life". By taking advantage of "the enabling effect" of mobile communications services, we will turn a new page of quality living of mankind and sustainable development by providing more information applications and fulfilling our corporate social responsibilities more extensively.

March 2011

○ TABLE OF CONTENTS

○ ABOUT THIS REPORT

This is China Mobile Limited's ("China Mobile") fifth Corporate Social Responsibility (CSR) Report, and it covers our activities between 1 January 2010 and 31 December 2010. The Report has been published in both English and Chinese. Starting from 2011, the name of this Report will be changed to the Sustainability Report.

We have compiled this Report according to the 10 Principles of the United Nations Global Compact (UNGC), the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines and the GRI Telecommunications Sector Supplement, and the Guidelines for China Corporate Social Responsibility Reporting (CASS-CSR 1.0). We have also sought to align the Report with the unique attributes of our business and industry.

Content Selection

We followed the GRI principles for defining report content of "materiality, stakeholder inclusiveness, sustainability context, and completeness" and took the following steps to define the content of this Report:

◎ Analysis of our corporate development strategy;

◎ The identification of key sustainability issues for the telecommunications industry in terms of their relevance and significance;

◎ Feedbacks from key stakeholders; and

◎ Analysis of the sustainability and comparability of this Report.

In particular, the 2010 Report covers the following within the GRI framework:

◎ Our sustainability strategy and management implementation in 2010 (see pages 7-11); and

◎ Our top 6 sustainability issues and related sustainability practices in 2010 (see pages 12-49).

Report Scope

Unless otherwise stated, this Report covers operations of China Mobile Limited and our operating subsidiaries from across all 31 provinces, autonomous regions, and directly-administered municipalities in Mainland China and the Hong Kong Special Administrative Region (SAR).

Data Collection

Our data and case studies in the 2010 Report are collected through the following:

◎ China Mobile data collection index;

◎ China Mobile e-platform for sustainability management – based on indicators developed for our sustainability management system in 2008; in March 2009 we launched an online platform for tracking and managing sustainability data on a quarterly basis; and

◎ In 2010 we held an Annual Sustainability Case Competition – since 2008 we have been running this Case Competition along with external experts to select and recognise examples of sustainability excellence within the Group.

Currency

Unless otherwise specified, all monetary figures shown in this Report are expressed in Renminbi (RMB).

Unaudited Data

Unless otherwise specified, the data in this Report is unaudited. Please refer to our 2010 Annual Report for the audited financial statements of the Group for the year ended December 31, 2010 and other details of our financial performance and operating results. The 2010 Annual Report as well as previous Annual Reports of the Company are available on the Company's website, www.chinamobileltd.com.

⭕ ABOUT CHINA MOBILE
【 Company Profile 】

China Mobile Limited (the "Company", and together with its subsidiaries, the "Group") was incorporated in Hong Kong on 3 September 1997. The Company was listed on the New York Stock Exchange ("NYSE") and The Stock Exchange of Hong Kong Limited ("HKEx") on 22 October 1997 and 23 October 1997, respectively. The Company was admitted as a constituent stock of the Hang Seng Index in Hong Kong on 27 January 1998. As the leading mobile services provider in China, the Group boasts the world's largest mobile network and the world's largest mobile subscriber base. In 2010, the Company was once again selected as one of the "FT Global 500" by Financial Times and "The World's 2000 Biggest Public Companies" by Forbes magazine, and was consecutively recognised on the Dow Jones Sustainability Indexes ("DJSI") for the third year. The Company was also admitted into the Hang Seng Corporate Sustainability Index Series that was newly launched on 15 July 2010. Currently, the Company's corporate credit rating is Aa3/Outlook Positive by Moody's and AA-/Outlook Stable by Standard and Poor's (respectively equivalent to China's sovereign credit rating).

The Company owns 100 % interest in the following operating subsidiaries:

China Mobile Group Guangdong Company Limited, China Mobile Group Zhejiang Company Limited, China Mobile Group Jiangsu Company Limited, China Mobile Group Fujian Company Limited, China Mobile Group Henan Company Limited, China Mobile Group Hainan Company Limited, China Mobile Group Beijing Company Limited, China Mobile Group Shanghai Company Limited, China Mobile Group Tianjin Company Limited, China Mobile Group Hebei Company Limited, China Mobile Group Liaoning Company Limited, China Mobile Group Shandong Company Limited, China Mobile Group Guangxi Company Limited, China Mobile Group Anhui Company Limited, China Mobile Group Jiangxi Company Limited, China Mobile Group Chongqing Company Limited, China Mobile Group Sichuan Company Limited, China Mobile Group Hubei Company Limited, China Mobile Group Hunan Company Limited, China Mobile Group Shaanxi Company Limited, China Mobile Group Shanxi Company Limited, China Mobile Group Neimenggu Company Limited, China Mobile Group Jilin Company Limited, China Mobile Group Heilongjiang Company Limited, China Mobile Group Guizhou Company Limited, China Mobile Group Yunnan Company Limited, China Mobile Group Xizang Company Limited, China Mobile Group Gansu Company Limited, China Mobile Group Qinghai Company Limited, China Mobile Group Ningxia Company Limited, China Mobile Group Xinjiang Company Limited and China Mobile Hong Kong Company Limited (formerly known as China Mobile Peoples Telephone Company Limited), and operates nationwide mobile telecommunications networks in all 31 provinces, autonomous regions and directly-administered municipalities in Mainland China and in Hong Kong SAR through these subsidiaries.

As of 31 December 2010, the Group had a total staff of 164,336 and a customer base of over 584 million, and enjoyed a market share of approximately 69.3% in Mainland China. The Group's GSM global roaming services covered 237 countries and regions and its GPRS roaming services covered 186 countries and regions.

The Company's majority shareholder is China Mobile (Hong Kong) Group Limited, which, as of 31 December 2010, indirectly held an equity interest of approximately 74.21% of the Company through its wholly-owned subsidiary, China Mobile Hong Kong (BVI) Limited. The remaining equity interest of approximately 25.79% of the Company was held by public investors.

【 Corporate Governance 】

Our goal has always been to enhance our corporate value, maintain our sustainable long-term development and generate greater returns for our shareholders. In order to better achieve the above objectives, we have established good corporate governance practices following the principles of integrity, transparency, openness and efficiency, and have implemented sound governance structure and measures. With respect to the key participants involved in the practice of good corporate governance, including shareholders, board of directors and committees, management and staff, internal audit, external auditors and other stakeholders (including our customers, the public, peers, regulatory authorities, etc.), we have established and improved various policies, internal controls and other management mechanisms.

For more information about our corporate governance practices, please refer to our 2010 Annual Report and our website www.chinamobileltd.com.

Biographies of Directors and Senior Management

Executive Directors

Mr. WANG Jianzhou

Age 62, Executive Director and Chairman of the Company, joined the Board of Directors of the Company in November 2004. Mr. Wang is in charge of the overall management of the Company. He is also the Chairman of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company) and China Mobile Communication Co., Ltd. He formerly served as Deputy Director General and Director General of the Posts and Telecommunications Bureau of Hangzhou, Deputy Director General of the Posts and Telecommunications Administration of Zhejiang, Director General of the Department of Planning and Construction of the Ministry of Posts and Telecommunications, Director General of the Department of General Planning of the Ministry of Information Industry ("MII"), Director, Executive Vice President, President and Chairman of China United Telecommunications Corporation, Executive Director, President, Chairman and Chief Executive Officer of China Unicom Limited, Chairman and President of China United Telecommunications Corporation Limited, President of China Mobile Communications Corporation, Chief Executive Officer of the Company from November 2004 to August 2010. Mr. Wang graduated in 1985 from Department of Management Engineering of Zhejiang University with a Master's Degree in Engineering, and holds a doctoral degree in business administration from Hong Kong Polytechnic University. Mr. Wang is a professor-level senior engineer with extensive knowledge and 33 years of experience in the telecommunications industry.

Mr. LI Yue

Age 52, Executive Director and Chief Executive Officer of the Company, joined the Board of Directors of the Company in March 2003. He is in charge of the operation and management of the Company. He is also the President and director of China Mobile Communications Corporation and a director of China Mobile Communication Co., Ltd. Mr. Li started his career in 1976 and previously served as Deputy Director General and Chief Engineer of Tianjin Long-Distance Telecommunications Bureau, Deputy Director General of Tianjin Posts and Telecommunications Administration, President of Tianjin Mobile Communications Company, Deputy Head of the preparatory team and Vice President of China Mobile Communications Corporation, Chairman of Aspire Holdings Limited, non-executive director of Phoenix Satellite Television Holdings Ltd., and Chairman of Union Mobile Pay Limited. Mr. Li holds a Bachelor's Degree in telephone exchange from the Correspondence College of Beijing University of Posts and Telecommunications, a Master's Degree in business administration from Tianjin University and a doctoral degree in business administration from Hong Kong Polytechnic University. He is a professor-level senior engineer and had won many national, provincial and ministerial level scientific and technological progress awards. Mr. Li has been engaging in telecommunication network operations and maintenance, planning and construction, operational management, development strategies and has many years of experience in the telecommunications industry.

Mr. LU Xiangdong

Age 51, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2003. Mr. Lu is principally in charge of development strategy, planning and construction, and procurement of the Company. He has also held the post of Vice President of China Mobile Communications Corporation since April 2000. Mr. Lu is also a director of China Mobile Communication Co., Ltd. He previously served as the Director General of the Fujian Wireless Telecommunications Bureau, the Deputy Director General of the Mobile Telecommunications Administration of the Ministry of Posts and Telecommunications, Chairman of Aspire Holdings Limited, Chairman of Union Mobile Pay Limited and a non-executive director of Phoenix Satellite Television Holdings Ltd. Mr. Lu graduated from the Academy of Posts and Telecommunications of the Ministry of Posts and Telecommunications with a Master's Degree in wireless telecommunication, and holds a doctoral degree in economics from Peking University. Mr. Lu is a professor-level senior engineer with nearly 29 years of experience in the telecommunications industry.

Mr. XUE Taohai

Age 55, Executive Director, Vice President and Chief Financial Officer of the Company, joined the Board of Directors of the Company in July 2002. Mr. Xue is principally in charge of the corporate affairs, finance and internal audit of the Company. He is also a Vice President of China Mobile Communications Corporation and a director of China Mobile Communication Co., Ltd. Mr. Xue previously served as the Deputy Director General of the Finance Department of the former Ministry of Posts and Telecommunications, Deputy Director General of the Department of Financial Adjustment and Clearance of the MII and Deputy Director General of the former Directorate General of Telecommunications. He graduated from Henan University and received an EMBA degree from Peking University. Mr. Xue is a senior accountant with over 31 years of experience in the telecommunications industry and financial management.

Madam HUANG Wenlin

Age 56, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in September 2007. Madam Huang is principally in charge of human resources and inspection matters of the Company. She is also a Vice President of China Mobile Communications Corporation, and a director of China Mobile Communication Co., Ltd. Madam Huang previously served as Director of Domestic Communications Division and Director of Communications Organisation Division of the Directorate General of Telecommunications of the former Ministry of Posts and Telecommunications, Vice President of China Telecommunications Corporation, Executive Director and Executive Vice President of China Telecom Corporation Limited. Madam Huang graduated in 1984 from Beijing University of Posts and Telecommunications with a major in management engineering and received an EMBA degree from Peking University. Madam Huang is a senior economist with 35 years of operational and managerial experience in the telecommunications industry.

Mr. SHA Yuejia

Age 53, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2006. Mr. Sha is principally in charge of marketing, data business and corporate customers management of the Company. He is also a Vice President of China Mobile Communications Corporation, a director of China Mobile Communication Co., Ltd., non-executive director of Phoenix Satellite Television Holdings Ltd. and Shanghai Pudong Development Bank Co., Ltd., and Chairman of Union Mobile Pay Limited. He previously served as Director of the Engineering Construction Department IV Division of Beijing Telecommunications Administration, President of Beijing Telecommunications Planning Design Institute, Deputy Director General of Beijing Telecommunications Administration, Vice President of Beijing Mobile Communications Company, Director and Vice President, Chairman and President of Beijing Mobile. Mr. Sha graduated from Beijing University of Posts and Telecommunications, and received a Master's Degree from the Academy of Posts and Telecommunications of the Ministry of Posts and Telecommunications and a doctoral degree in business administration from Hong Kong Polytechnic University. He is a professor-level senior engineer with over 28 years of experience in the telecommunications industry.

Mr. LIU Aili

Age 47, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2006. Mr. Liu is principally in charge of network operation, business support, information system management, information security and industrial management of the Company. He is also a Vice President of China Mobile Communications Corporation, a director of China Mobile Communication Co., Ltd. and a non-executive director of China Communications Services Corporation Limited. He previously served as Deputy Director General of Shandong Mobile Telecommunications Administration, Director General of Shandong Mobile Telecommunications Administration and General Manager of Shandong Mobile Communications Enterprises, Vice President of Shandong Mobile Communications Company, Director-General of Network Department of China Mobile Communications Corporation, Chairman and President of Shandong Mobile and Zhejiang Mobile, and Chairman of CMPak Limited. Mr. Liu graduated from Heilongjiang Posts and Telecommunications School with an associate degree and completed a post-graduate programme in economics at Shandong University. Mr. Liu also received a Master of Management degree from Norwegian School of Management BI and a doctoral degree in business administration from Hong Kong Polytechnic University. He is a professor-level senior engineer with over 28 years of experience in the telecommunications industry.

Madam XIN Fanfei

Age 54, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in January 2006. Madam Xin is principally in charge of the general administration and investor and media relations of the Company. She previously served as Deputy Director of the Foreign Affairs Division, Deputy Director of the Planning Division and Chief of the Planning Office, Director of the Planning Division, Director of the Department of Planning and Construction of Tianjin Posts and Telecommunications Administration, Vice President of Tianjin Mobile Communications Company, Director and Vice President of Tianjin Mobile, Chairwoman and President of Heilongjiang Mobile, and Chairwoman of former China Mobile Peoples Telephone Company Limited. Madam Xin graduated from Xidian University, and received an EMBA degree from Peking University and a Doctor of Management degree from Hong Kong Polytechnic University. Madam Xin is a professor-level senior engineer with many years of experience in the telecommunications industry.

Mr. XU Long

Age 54, Executive Director of the Company, joined the Board of Directors of the Company in August 1999. Mr. Xu is the Chairman and President of Guangdong Mobile, responsible for the Company's business operations in Guangdong. He previously served as the Deputy Director of the Shaoxing Posts and Telecommunications Bureau, President of Zhejiang Nantian Posts and Telecommunications Group Company, Director of the General Office and Deputy Director General of the Posts and Telecommunications Administration

in Zhejiang, and Chairman and President of Zhejiang Mobile. He graduated from Zhejiang Radio and Television University in 1985, and holds a doctoral degree in business administration from Hong Kong Polytechnic University. Mr. Xu is a senior economist with 33 years of experience in the telecommunications industry.

Independent Non-Executive Directors

Dr. LO Ka Shui

Age 64, Independent Non-Executive Director of the Company, was appointed to the Board of Directors of the Company in April 2001. He was appointed Chairman of Audit Committee, Remuneration Committee and Nomination Committee of the Company. Dr. Lo is the Chairman and Managing Director of Great Eagle Holdings Limited, the Non-executive Director and Chairman of Eagle Asset Management (CP) Limited (Manager of the publicly listed Champion Real Estate Investment Trust). He is also a Non-executive Director of The Hongkong and Shanghai Banking Corporation Limited and an Independent Non-executive Director of Shanghai Industrial Holdings Limited, Phoenix Satellite Television Holdings Limited, Winsor Properties Holdings Limited and City-e-Solutions Limited. Dr. Lo previously served as an Independent Non-executive Director of Melco International Development Limited. Dr. Lo is a Vice President of the Real Estate Developers Association of Hong Kong, a Trustee of the Hong Kong Centre for Economic Research and a Board Member of the Hong Kong Airport Authority and the Chairman of The Chamber of Hong Kong Listed Companies. Dr. Lo graduated from McGill University with a Bachelor of Science Degree and from Cornell University with a Doctor of Medicine (M.D.) Degree. He was certified in Internal Medicine and Cardiology. He has more than 30 years of experience in property and hotel development and investment both in Hong Kong and overseas.

Mr. Frank WONG Kwong Shing

Age 63, Independent Non-Executive Director of the Company, joined the Board of Directors of the Company in August 2002. Mr. Wong serves as an Independent Non-Executive Director of Industrial and Commercial Bank of China Limited, China and Mapletree Investments Pte Ltd, Singapore, and a Non-Executive Director of PSA International Pte Ltd, Singapore. He previously served as Vice Chairman of DBS Bank, a member of the DBS Bank and DBS Group Holdings boards, and Chairman of DBS Bank (Hong Kong) and DBS Bank (China). He held a series of progressively senior positions with regional responsibility at Citibank, JP Morgan and NatWest from 1967 to 1999 and served as Non-Executive Director of National Healthcare Group Pte Ltd. Mr. Wong also served in various positions with Hong Kong's government bodies including the Chairman of the Hong Kong Futures Exchange between 1993 and 1998. Mr. Wong has many years of finance and commercial management experience.

Dr. CHENG Mo Chi, Moses, GBS, OBE, JP

Age 61, Independent Non-executive Director of the Company, joined the Board of Directors of the Company in March 2003. Dr. Cheng is a practising solicitor and the senior partner of Messrs. P.C. Woo & Co. Dr. Cheng was a member of the Legislative Council of Hong Kong. He is the founder chairman of the Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. Dr. Cheng is also the Chairman of the Advisory Committee on Post-service Employment of Civil Servants. Dr. Cheng currently holds directorships in City Telecom (H.K.) Limited, China COSCO Holdings Company Limited, Liu Chong Hing Investment Limited, China Resources Enterprise, Limited, Towngas China Company Limited, Hong Kong Exchanges and Clearing Limited, Kader Holdings Company Limited, K. Wah International Holdings Limited, Guangdong Investment Limited and Tian An China Investments Company Limited, all being public listed companies in Hong Kong. He is also an independent non-executive director of ARA Asset Management Limited, a company whose shares are listed on Singapore Exchange Limited. His other directorships in public listed companies in the last 3 years include Beijing Capital International Airport Company Limited, Galaxy Entertainment Group Limited (formerly known as K. Wah Construction Materials Limited), Shui On Construction and Materials Limited and ARA Asset Management (Singapore) Limited (a public listed company in Singapore).

○ SUSTAINABILITY STRATEGY AND MANAGEMENT

We adhere to our core corporate value "Responsibility Makes Perfection" and our corporate social responsibility vision "With perfect sincerity and integrity, we will strive to fulfil our three responsibilities: economic, social and environmental." We believe that our business strategy and our social responsibilities cannot be separated, and we need to fully integrate CSR standards into our business operations and processes through an integrated framework of economic, social and environmental sustainability. This will allow us to maximise the overall sustainable values for us and our stakeholders.

【 Sustainability Strategy 】

Shaping Our Sustainability Philosophy

We believe that in order to actively fulfil our corporate social responsibility and achieve sustainable development, we need to organise and manage corporate resources in a sensible way that addresses our stakeholders' expectations, and we need to follow the global sustainability trends and explore new technologies and businesses that are future-oriented and provide services that address major social issues, in order to better cater to social development needs and create sustainability combined values.

By upholding our core value of "Responsibility Makes Perfection", we strive to achieve economic, social and environmental sustainability in a way that coordinates the present and the future, and strikes a balance between ourselves and our stakeholders.

Coordinating the Present and the Future: We will meet the needs for current development, as well as create room for future growth. To achieve this, we will consolidate our current advantages and create new room for growth by identifying development trends, responding to changes, reserving strategic resources, researching and developing new technologies, and expanding into new fields.

Striking a Balance between Ourselves and Our Stakeholders: We will pay attention to both our own development and external harmony. While achieving our own development, we will seek understanding, recognition and support from our stakeholders; and aim to turn sustainable development business potentials into the growth of shared value between our stakeholders and us.

Achieving Economic, Social and Environmental Sustainability:

Economic sustainability: We will achieve good operational efficiency and risk management levels, and maintain sustainable value creation and business successes under different environments and at different stages.

Social sustainability: Our own development will not be achieved at the cost of our stakeholders' interests, and we will promote social progress that contributes to fairness and sharing in society.

Environmental sustainability: Using a resource-saving and environmentally friendly method to achieve harmonious development between people and nature.

Creating Sustainable Value

We strive to create sustainable value under ever-changing industrial and social conditions by following our sustainability philosophy and continuously enhancing our sustainable development. While achieving the sustainable development of our business operations, we also provide solutions to major social issues and achieve mutual benefits with our stakeholders.

○ China Mobile's Sustainable Value Framework

Tomorrow

Innovation & Repositioning

Drivers
Technology evolution
Business integration trends
Potential markets

To understand the changing market environment, maintain strategic foresights by actively innovating and taking advantage of development opportunities at different stages of the life cycle of the company

Return Values: Maintaining strategic foresights, innovation and development

Growth Trajectory

To identify potential needs and lead sustainable development of society by transforming such potential needs into products and services with social and environmental value

Return Values: Identifying needs and leading the direction

Drivers
Digital divide
Climate change
Informatisation of society

Internal — **Sustainable Value** — External

Drivers
High penetration
Competition pressure
Growth pressure

To operate at low cost and high efficiency, forge an outstanding organisation and talent pool, manage and control risks effectively, and strengthen current position

Return Values: Increasing operational efficiency and reducing risks

To proactively respond to stakeholder expectations, manage external impact of business activities, and win positive support

Return Values: Responding to expectations and achieving mutual development

Drivers
Industry status
Stakeholder expectations
Gaps towards expectations

Cost & Risk Reduction

Reputation & Legitimacy

Today

◎ Source: Adapted from Hart, S. and Milstein, M., 2003, Creating Sustainable Value.

【 Sustainability Management 】

In 2010, we further integrated our business development with our corporate social responsibility, and developed our sustainability philosophy and strategy. We also urged our subsidiaries to develop a "culture of responsibility" that focuses and enhances their sustainability through top-down management improvement. In 2010, we continued to maintain world-class sustainability performance and were selected as a member of the Dow Jones Sustainability Indexes for the third consecutive year, and were still the only company in Mainland China on the DJSI.

Improving Our Sustainability Index System

In 2009, we established the China Mobile Sustainability Index System for comprehensive assessment of our capacity and standard to realise the value of sustainable development. In 2010, we developed feasible capacity enhancement plans for all 31 provincial subsidiaries based on the evaluations results conducted last year and conducted follow-up evaluations of their efforts.

Guided by research on global sustainability theories and best practices, in 2010, we developed our own philosophy of sustainability, built our sustainability model, and further improved and formally established the China Mobile Sustainability Index System.

Meanwhile, we improved the methodology and criteria for evaluating our sustainability performance in a scientific, objective and feasible way. We developed the *China Mobile Sustainability Capacity Evaluation Method for Provincial (Regional and Municipal) Subsidiaries* and established a long-term mechanism to evaluate and improve our sustainability capacities, and have currently completed the 2010 Sustainability Capacity Evaluation of our 31 provincial subsidiaries.

We will implement sustainability capacity evaluation and enhancement annually, and develop group-wide sustainability strategic guidelines to fully evaluate our sustainability capacity and standard. This will allow us to realise the value of sustainable development.

Promoting CSR Risk Management

In 2009, we launched the CSR risk management system pilot projects among our provincial subsidiaries. Based on global standards and best practice as well as our own operational practices, we set out our list of CSR risks, evaluated our workflow,

identified and assessed major CSR risks, developed contingency plans against significant risks, and implemented annual examination to continuously enhance CSR improvement. In 2010, we started our second round pilot projects among our provincial subsidiaries based on our experiences from the 2009 CSR risk management system pilot projects with the goal of establishing a "Company-Provincial Subsidiaries" 2-tier CSR risk management system. As at the end of 2010, we had established a CSR risk management systems in 20 provincial subsidiaries.

Fostering a "Culture of Responsibility"

In order to improve the understanding of the CSR concept among our employees, and help them integrate CSR into their daily work practice, in 2010, we initiated featured cultural communication event, "Our Responsibilities at China Mobile and through an adherence to the "culture of responsibility", we allow the realisation of responsibility to develop internally.

◉ Activities and Status of the "Our Responsibilities at China Mobile" Event

Events	Status Update
Signing the CSR Commitment Statement	All departments at our headquarters and all 31 provincial subsidiaries signed the statement.
Setting up the SMS CSR Classroom	Employees of our 31 provincial subsidiaries participated in the programme.
Training part-time CSR lecturers	123 part-time lecturers received 2 rounds of featured training; provincial subsidiaries also developed their own team of lecturers of 5 to 10 persons in each provincial subsidiary.
CSR Lecture Hall training programme	Our part-time lecturers delivered approximately 420 internal training sessions group-wide.
Held the "Our Responsibilities at China Mobile" essay contest	Over 258 outstanding essays were selected from over 6,200 essays from our provincial subsidiaries, and 40 essays won the top 3 tier awards.
Adding employee voting into the review process of our 2010 CSR Practice Competition	A total of 58,723 employees voted online on a shortlist of 90 cases.
Hosted a CSR Forum with a theme on internal CSR communication	32 CSR experts and employees who have made significant contributions in the communication event participated in the forum, and they shared and discussed their experience and ideas.
Published a CSR Special Edition in our internal publication, *Corporate Culture*	Published the feature issue on "Sharing responsibility between company and employees, grow harmoniously and share the future."

China Mobile Employee CSR Commitment Statement (excerpt)

In order to uphold our common faith and reach our common goal, we hereby make this solemn commitment:

We will recognise, respect and uphold our core value of "Responsibility Makes Perfection", and with self discipline, hardwork, enthusiasm and perseverance turn our CSR vision of "with perfect sincerity and integrity, we will strive to fulfil our triple responsibilities – our economic responsibility, our social responsibility and our environmental responsibility" into concrete words and actions. We will work together to participate in CSR practices and are committed to growing sustainably and harmoniously with society and the environment, and grow together harmoniously with our stakeholders.

【 Stakeholder Engagement 】

We have categorised our stakeholders into seven major groups: customers, shareholders and investors, employees, government authorities and regulators, value chain partners, industry peers, and the public. Based on the group of the stakeholders, we have developed normalised engagement mechanisms (such as specific engagement and ordinary engagement) for engaging our stakeholders to understand their expectations and respond accordingly.

◎ China Mobile's Stakeholders

Stakeholders	Method of Engagement	Content of Engagement	Relevant Report Content
Customers	◎ Customer satisfaction surveys ◎ Customer relation management ◎ "Walking into China Mobile" event ◎ China Mobile Membership Club ◎ Visits and communications to corporate customers	◎ Improving network performance ◎ Improving service and customer satisfaction ◎ Ensuring the security of customer information and privacy ◎ Preventing spam and unhealthy content	20-28
Shareholders and Investors	◎ Operational performance evaluation ◎ Daily management ◎ Regular communication meetings	◎ Protecting and adding value to assets ◎ Managing and preventing operational risk ◎ Socially responsible investment demand for enterprises	4-8
Employees	◎ Employee Representative Committee Meeting ◎ Employee complaints and feedback ◎ Training ◎ Performance reviews ◎ Employee survey	◎ Employees' participation in company operations ◎ Protecting labour rights ◎ Employees' career development ◎ Harmonious working environment and prevention of work-related pressure	13-15
Government Authorities and Regulators	◎ Regular supervision ◎ Exchange meetings ◎ Cooperative projects	◎ Meeting regulatory demands ◎ Meeting CSR requirements of governments and regulators where we operate ◎ Cooperating on philanthropic activities	5-8,12,20-24, 29-32,37,43-53
Value Chain Partners	◎ Regular communications mechanisms ◎ Evaluations and investigations ◎ Work meetings and reporting ◎ Cooperative projects	◎ Compliance, review and feedback ◎ Soliciting feedback and recommendations on our business operations and workflow ◎ Expanding the scope of business development and potential cooperation	10,12,22-23,29, 33-34
Industry Peers	◎ Industry organisations ◎ Forums and conferences ◎ Working groups ◎ Exchange activities ◎ Cooperative projects	◎ Fair and orderly competition ◎ Industry future outlook and potential opportunities ◎ Joint construction and sharing of telecommunications infrastructure ◎ Joint research and development and sharing of experiences ◎ Communications and cooperative projects on CSR management	10-12,31,34,51
The Public	◎ Community engagement ◎ Media communication ◎ Philanthropic activities	◎ Improving electromagnetic field radiation management and communication ◎ Developing new mobile services ◎ Supporting disaster relief ◎ Improving the lives of disadvantaged groups ◎ Energy conservation and emissions reduction, and environmental protection	16-19,23,36, 43-49

Improving Stakeholder Engagement

In 2010, we further enhanced our stakeholder engagement and established good internal communication and learning mechanisms with improved management of sustainability-related information. Meanwhile, we made efforts to intensify issue analysis, systematically analyse key sustainability issues and improve our stakeholder engagement mechanism accordingly. These efforts resulted in positive interaction between our stakeholders and us.

Improving Information Management: We improved our internal sharing of experience with regular information collection regarding CSR practices through our Electronic CSR Information System. In 2010, we collected 785 pieces of CSR related information and compiled 3 issues of CSR Newsletter. We also established the External CSR Information Tracking System to regularly keep track of the news from over 200 media, collect and analyse feedback from our stakeholders.

Intensifying Issue Analysis: In order to fully understand the development trend of core sustainability issues, we conducted a benchmarking study of the key sustainability issues of leading global telecommunications operators, large multinational corporations and large Mainland enterprises. We also conducted in-depth analysis of key sustainability issues such as "Mobile Health" and "Water Resource Protection".

Establishing Dialogue Mechanism: In 2010, we continued to enhance our communications with relevant organisations such as United Nations Global Compact, the Climate Group, Global Reporting Initiative, and CSR Asia. We expanded our cooperation with internationally renowned academic institutions on sustainability research. In September 2010, we organised our first CSR expert workshop on "Mobile Health". We actively sought opinions from various relevant parties, and the opinions from participating experts were posted in our quarterly report, *China Mobile CSR Monitor,* to help us with our development strategy.

Enhancing Communication Management: We developed and issued the *China Mobile Guidelines for Stakeholder Management 2010*, which clearly defined communication channels and core issues, and specifically provided guidance to provincial subsidiaries on stakeholder engagement.

○ In September 2010, we organised a "mHealth" expert workshop with over ten experts within and outside the medical industry to explore the prospect and direction of mHealth

In-Depth Participation in Research on Sustainability Issues

Pursuant to the Memorandum of Strategic Cooperation signed in 2010, China Mobile and the University of Cambridge worked together to conduct a research focusing on the sustainability issue of "Mobile Health". The research focused on the global trends in mobile health current applications and how to use innovative "Mobile Health" information solutions to address health care challenges with development of mobile communications technology, such as bringing access to health care services to remote areas. China Mobile had rich experience in developing and offering mobile health related services and provided important useful information for application and research. The research is expected to be completed in 2011 with a research report jointly issued by the University of Cambridge and China Mobile.

Improving Supplier Complaints, Feedback and Evaluation Mechanisms

We attach great importance to the development of supplier complaints and feedback mechanisms to protect the legitimate interests of our suppliers. In 2007, we formulated the *Guiding Opinions on Establishing the China Mobile Complaint Handling System for Bidding and Tendering Activities*, stipulating an efficient 2-tier complaint handling system at the company headquarters level and the provincial subsidiary level with open channels for filing complaints. On this basis, we performed reverse-assessment surveys among our major suppliers every year, focusing on their levels of satisfaction towards our procurement management. In 2010, a total of 157 major suppliers had been surveyed, with a total of 1,777 valid questionnaires collected. The survey covered all 31 provincial subsidiaries and all product categories using centralised purchasing. Survey results kept on improving, with significant improvements regarding the processes of payment and acceptance among other management issues.

Deepening Dialogue and Engagement with Stakeholders

Following our 3-phase work plan on stakeholder engagement, our focus in 2010 was to deepen dialogue and engagement with our stakeholders. In April 2010, we released our CSR Report 2009 and arranged for our provincial subsidiaries to distribute the report to their key stakeholders for feedback. A total of 58,100 copies of the report were distributed.

In 2010, we maintained close communication with our key stakeholders and well-targeted our response to their expectations and suggestions. In the meantime, we actively attended international conferences and forums on sustainability issues to share our experience and explore sustainability solutions with other participants.

UN Private Sector Forum on Millennium Development Goals (MDGs)	Our Chairman Mr. Wang Jianzhou made a speech on how businesses could help achieve the United Nations MDGs, and how development of information and communications technology (ICT), especially the popularity of the Internet and mobile communications, can bring new solutions to help less developed regions improve on areas such as children's education, health care and poverty alleviation.
Shanghai Expo Summit Forum	Our CEO Mr. Li Yue gave a speech named "Wireless City: Enabling A Better Life". Mr. Li explained the concepts and structure of "Wireless City", presented our achievements in the development of "Wireless City", and claimed that the Shanghai Expo showed that the development of "Wireless City" had become a major trend for the global ICT industry. This, he said, has had a significant impact on economic development, improving people's lives, and achieving the sustainable development of society.
2010 G20 Seoul Summit	Our Chairman Mr. Wang Jianzhou participated in the roundtable discussion on "Fulfilling Corporate Social Responsibility Commitment" and shared the experience of how China Mobile helped improve productivity with technological innovation, provide job opportunities for young people, and increase agricultural productivity with our Agricultural Information Service. These achievements received positive feedback from participants.
GSMA Mobile Asia Congress 2010	Our CEO Mr. Li Yue gave a speech named "Mobile Changes Life". Mr. Li said that along the path of China Mobile's transition from "Mobile Communications Expert" and "Mobile Information Expert" to the current "Mobile Changes Life", each transition represented a snapshot of the change and development of the mobile communications industry. In the future, the mobile communications network will continue to move towards, and develop with the aim of achieving, universal access, Mobile Internet, and Internet of Things. Mobile communications has and will continue to change people's lives.

Depending on the actual local needs, our provincial subsidiaries conducted a variety of stakeholder engagement activities.

In Hebei, we invited our stakeholders including representatives of local government, the media, academia, business partners and customers for a dialogue in September 2010. During the meeting, we briefed stakeholder representatives of our CSR performance and invited their feedback and suggestions. Customer association representatives expressed their concerns for customer information security and billing accuracy, while representatives from our business partners stated that they expected us to lead the sustainable development of the industry chain.

In Heilongjiang, we took the opportunity on March 15, the Consumer Rights Day, and worked together with the environmental protection agency, consumer association, and the media to initiate a featured communication campaign regarding the electromagnetic field radiation (EMF) issue around base stations near residential area, which was the target of frequent complaints. By demonstrating authoritative EMF certifications and EMF environmental impact assessment reports on the qualification of the base stations facilities, we showed the participants our comprehensive EMF management in equipment selection, installation, and consumer use.

In Hunan, as the mobile e-commerce product innovation base, we engaged our stakeholders in understanding issues related to the informatisation of society. We collected customer feedback through customer visits, and seminars, and understood that customers expected us to further expand the range and depth of mobile e-commerce, enhance the applicability of mobile terminals, make applications more user-friendly and develop special informatisation products to people in need.

Looking forward, we will continue to improve our system management on the issue of sustainability, and to understand and respond to the expectations of stakeholders. By leveraging our expertise, we will work diligently with our stakeholders to explore and develop forward-looking models of sustainable development.

○ ENHANCING SUSTAINABLE DEVELOPMENT CAPACITY

To achieve sustainable development, a company needs to keep on enhancing its development capacity internally. On the one hand, a company needs continuous innovation to effectively respond to the ever-changing market and environment, solve current problems on development, and seize opportunities for future growth; on the other hand, a company also needs a team of outstanding employees to give the company the driving force that powers its continuous growth under any circumstances.

【 Innovation and Development 】

In 2010, China Mobile continued to promote the innovation of new technologies, the development of new business models, and the expansion into new areas in order to achieve innovation and growth.

New Technologies

In 2010, we continued to assist our parent company (China Mobile Communications Corporation) in actively pushing forward the perfection of TD-SCDMA Long Term Evolution (TD-LTE) technology and the maturity of the industry. We conducted research and development on the integration of communications network and IT technology, and the integration of communications network and the Internet. We also made breakthrough in the research fields of cloud computing and the Internet of Things. In 2010, we filed 780 new patent applications, 187 of which were approved. In 2010, our parent company took a leading role in 36 industry standards development projects, participated in 63 projects and completed the establishment of 26 industry standards. We submitted 1,056 research papers to major international standard organisations with 674 being accepted. We established 24 research projects in major international standard organisations, and played a leading role in technology development and standard setting in many important fields including TD-LTE, Core Network, and the Internet of Things.

New Models

In 2010, we further improved our product innovation and business model that focused on our strategy of developing value-added business bases. So far, we have established 9 value-added business bases including mobile reading, wireless music, and mobile gaming among others. This model is centered on the industry chain and also reflects our focuses on our customers and services. In this way, we can stay close to the market to understand customer needs and offer better services. Meanwhile, it allows us to make full use of our provincial subsidiaries' resources and market positions. This will enable us to conduct centralised development and innovation for value-added business with high efficiency and at low cost, so as to achieve fast development in new technologies, new functions and new applications.

Regarding the collaboration on innovative efforts with our value chain partners, our parent company had invested 650 million yuan since May 2009 to encourage the development of TD-SCDMA terminals. Joining forces with terminals and chip manufacturers in the research and development of TD-SCDMA terminals has greatly accelerated the development of the TD supply chain. By the end of 2010, the project had helped resolve the bottleneck problems of TD terminals development and developed 30 flagship handsets, 20 budget handsets, and 4 office-fixed wireless terminals.

In August 2009, we launched Mobile Market, a platform for industry chain collaboration and innovative business models. It has made significant progress and by the end of 2010, there were accumulated registered developers of 1.1 million and cumulative registered customers of 35 million. It offered 50,000 different kinds of applications, which had been downloaded over 110 million times.

New Areas

The rapid development of the Internet of Things in 2010 created tremendous potential for "M2M communications." In 2010, we established the "114 Strategy" for the development of the Internet of Things, founded China Mobile Wuxi Internet of Things Research Institute, and developed key technologies and standardised products. Through enhancing development of standardised product system and application templates for the Internet of Things, we continued to promote the development of new applications for the Internet of Things in the energy and transportation sectors among others. Currently, our Internet of Things business has been growing rapidly, with total user counts increased from 150,000 in 2004 to over 6.9 million in 2010.

In 2010, we also became a shareholder of Shanghai Pudong Development Bank Co., Ltd. We will take this opportunity to further explore the integration between mobile communications and finance and e-commerce in order to promote the new development of mobile finance, e-commerce and mobile payment.

China Mobile International Information Port

On 28 July 2010, the construction of China Mobile International Information Port officially started. The Port is an important vehicle for us to pursue centralised management, enhance our innovation capacity and promote the informatisation of society, which carries important values to our future sustainable development. The plan is to build a world-class, environmentally friendly hi-tech information park. Based on this platform, we will take advantage of Beijing's strengths in talent, resources and policies, and gradually achieve global operation support such as centralised network management, business support and corporate informatisation. It will become a base for high-level overseas talent and play a significant role in the research and development of new technologies, including TD-LTE, cloud computing and the Internet of Things. It will provide information services such as mega data centres and call centres. It will also become an exhibition center and conference center to showcase new technology and new services developed by China Mobile, playing an important role in enhancing the international competitiveness of China Mobile.
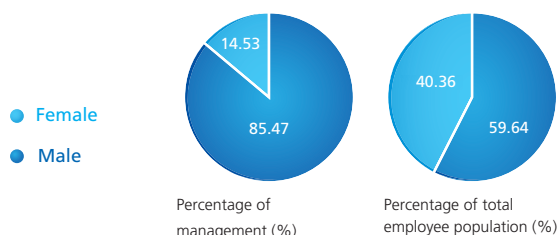
【 Employee Growth 】

We take protecting employee rights and encouraging employee development as one of our key social responsibilities as well as the foundation for our sustainable development. In 2010, we continued to perfect our protection of employee rights, improve our incentive mechanism, and actively expand employee career paths in order to achieve mutual development of both our business and our employees. We also paid great attention to employee health and well-being, and increase employee satisfaction towards our company.

Protecting Employee Rights

We attach great importance to the protection of employee rights. We ensure that we abide by the new Labour Contract Law and strictly prohibit the hiring of child labour. We are committed to workplace gender and ethnic equality and respect equal employment opportunities, continuously striving to achieve diversity. As of 31 December 2010, female employees and ethnic minority employees accounted for 40.36% and 6.01% of our workforce respectively.

▶ China Mobile Employee Gender Distribution

● Female
● Male

14.53
85.47

Percentage of management (%)

40.36
59.64

Percentage of total employee population (%)

Note: Management refers to persons at VP level or above at provincial subsidiaries and persons at general manager level or above at our headquarters.

Based on the labour contract we signed with each employee, we also developed system and management rules for Collective Labour Contract, which were signed by the trade union on behalf of all employees. This is also true for the Contract on Female Employee Protection. We have a reasonable compensation mechanism and provide employees with adequate benefits and insurance coverage required by law. In addition, we are actively working towards the development of a flexible performance-oriented remuneration system.

Regarding workplace safety and employee health, we strictly abide by relevant state laws and regulations. We continuously strengthen our workplace health and safety management and provide our employees with relevant training. We also arrange our employees to attend free annual health examination. In addition to improving our workplace safety management, we strictly abide by state laws and regulations regarding the compensation for work-related injuries and fatalities. In 2010, we further regulated the means of compiling the statistics of occupational injuries. In 2010, we had 47 cases of work-related injuries and 3 cases of work-related fatalities, which we duly reported to local labour authorities and made proper compensations to the affected employees and their families.

We also continued to encourage our provincial subsidiaries to establish employee aid funds. So far, more than two-thirds of our provincial subsidiaries have established management policies for employee aid and have set up their aid funds with funding from our company, the trade union, and individual employees. The aid funds are used to support employees whose families suffer from severe difficulty as a result of serious illness or disaster.

Employee Communication and Engagement

We actively protect the rights of our employees to know what is going on, make comments, and be a part of corporate decision-making. We encourage employees to participate in corporate governance in order to better protect their legitimate rights and concerns.

In 2010, we continued to promote business transparency, and linked it with employee performance review in an effort to standardise business transparency. We understand the important role of employee representative committee meeting, and thus continued to improve the 2-tier employee representative committee meeting system at the provincial and municipal level, as well as giving employees a greater role in corporate decision-making. We increased training efforts for employee representatives to continuously enhance their standard in corporate decision-making.

We conducted thorough research on team management, "Employee Activity Centres", and working conditions. For this research, we visited 108 units in 15 provincial subsidiaries, listened to 49 briefings, hosted 59 discussions, and conducted 74 individual interviews. About 700 employees at all levels participated in this research. The research was very useful in helping us understand employees' concerns. We will pay great attention to their common concerns and reasonable complaints, and take proper actions accordingly.

Our provincial subsidiaries also tried many innovative ways such as blogs and mini-blogs to encourage better communication with employees.

In Hubei, we set up an employee support platform, providing services such as "Golden Idea" proposal handling, employee counselling, legal assistance, household tips, etc. In 2010, the platform provided services for 15,970 person-times in total.

In Gansu, we set up a variety of communication channels, such as team blogs, a platform for ideas, and a general manager's mailbox, to address employees' concerns and encourage them to give more thoughts on the development of our company.

Expanding Communication Channel with CEO's Mailbox

To listen to employees' opinions and suggestions more extensively and further increase corporate loyalty, we established the CEO's Mailbox in 2010. Employees can send emails either using their real name or anonymously to make reasonable suggestions, raise complaints, or inform on potential problems. We drafted rules on its operation to ensure the confidentiality of people who use it and the information they send. Our CEO will read the emails personally and respond to important issues promptly, or assign relevant departments to address the issues, for which proper actions or replies are required to be made within 15 working days.

Employee Career Development

We pay great attention to the career development of our employees. We continue perfecting training management and innovating new training delivery methods in order to provide our employees with extensive training opportunities. In 2010, we developed guidelines for training, evaluated the level of existing trainings, and further strengthened selection and management of internal trainers with new trainer management rules and evaluations. At the headquarters level, we have launched an internal training evaluation system and have formed a team of 60 group-level internal trainers.

Meanwhile, we continued to promote the application of e-learning. We reallocated our group's training resources and consolidated training courses with our China Mobile Management School as one centralised training platform. We developed a group-level course database, sorted out around 10,000 existing courses, and started the digitalisation of our course system in order to make our training system more professional and systematic.

In Heilongjiang, we developed the integrated Management System for Employee Skill and Contribution Scores. The system has a comprehensive evaluation function. It evaluates both hard skills (such as seniority, education, position, and honours) and soft skills (such as participation in company events, and training contributions) of an employee and converts them into a standardised score. The employees can use these scores to redeem personalised souvenirs and awards such as trainings, travels, benefits, or other incentives.

In Gansu, we set up a talent development programme, the "Eagle Team". We grouped our talents into 4 sub-groups, each was given a name of a different kind of eagle: "young eagle" for new recruits, "flying eagle" for employees who had worked with us for over 2 years and had potential, "elite eagle" for mid-level managers with growth potential, and "captain eagle" for senior management and technology leaders. Each team had its own customised plan for their development.

● China Mobile Relevant Employee Training Statistics

	2010
Number of employees trained (10,000 person-times)	89.8
Training for senior executives (person-times)	239
Training for middle management (person-times)	8,195
Training for regular employees (10,000 person-times)	88.9
Percentage of employees attending diploma courses (%)	5.16
Average investment in training per employee (yuan)	2,842
Average annual training time per employee (hours)	59

In 2010, we actively created room for our employees to grow and established the "H" shaped career development path, which allowed the parallel development of management track and technology track talents. We revised and improved the management system of positions and established a standardised position system, giving better support for employee promotion, motivation and development. Meanwhile, we optimised our performance evaluation system with better feedback and communication about employee performance so that they could improve their skills and professionalism with more specific targets. In addition, we explored the possibilities of an eligibility system so as to develop better connections between the eligibility requirements of the positions and employees' career development plan.

In Zhejiang, we revised and improved the *Management Policy on Competition for Technology Track Positions* by developing a unique evaluation system that controls the 4 key procedures of skill evaluation, performance appraisal, competition scores and peer review, making the process more objective and credible. 25 technology personnel received their positions with this new system.

◎ In Beijing, we hosted a series of discussion panels advancing young employees' career development

◎ In Fujian, we launched "Sunshine Care Action" and organised leadership training for managers

Caring for Employees

In 2010, tragic incidents triggered by social pressure and psychological problems have attracted society's attention to the issue of mental health. In addition, growing competition within our industry has led to an objective increase of workloads and work pressure for our employees. We have always cared about the overall health of our employees. In 2010, we continued to strengthen our Employee Assistance Programmes (EAP) to provide employees with greater support and guidance with regard to their mental health. Currently, 28 provincial subsidiaries have established EAPs and achieved significant results.

In Xizang, we initiated an EAP titled "Flying Heart, Growing Harmony, New Future," and contracted third party experts to conduct surveys on our employee mental health conditions and evaluate our organisation setup. Based on the findings, a number of plans were developed and carried out, including consultation, training and counselling.

In Gansu, after the tragic mudslide disaster, we invited psychologist to conduct counselling and mental health seminar for employees of our Zhouqu branch and those who were stationed there in order to help them heal the emotional trauma caused by the tragic disaster.

Meanwhile, in order to strengthen EAP management, we continued our cooperation with Beijing Normal University and conducted the second "Psychology Fundamentals and EAP Practice" training for our internal EAP staff. We issued the *Working Papers on China Mobile's EAP and China Mobile EAP Guidebook* to provide guidance to our provincial subsidiaries on EAP development. We also hosted the first China Mobile EAP forum with the topic of "Caring for Employee Mental Health and Facilitating Corporate Harmonious Development". The forum has a high rate of participation.

We also conducted various recreational activities, sports games, social gatherings, cultural events, employee care activities, etc. to help them ease work-related pressure, reach work-life balance, and enhance their sense of belongings.

In 2010, we have made concrete progress in expanding employee communication channels and caring for their overall health. Looking forward, with increasing pressure from competition, we will continue to create a harmonious working environment and provide greater room for growth for our employees, so as to achieve the mutual development of both our business and our employees.

From EAP to PCA, a Continuous Drive for Developing a Harmonious Corporation

In Guangdong, based on our previous work on EAP, we introduced the concept of Psychological Capital Appreciation (PCA) in 2010. The core of PCA is 4 psychological capitals: "hope, effectiveness, resilience and optimism", and 10 psychological elements: "expectation, comparison, interest, interpersonal relationship, acceptance, generosity, forgiveness, exercise, sleep, and appreciation". By fully participating in the 5 PCA modules of platform, training, playground, monitoring and promotion, employees can develop their mental potential and increase their capability to feel happiness. The PCA Happiness Ambassador Camp makes employees not only understand happiness themselves but also be able to pass this ability to colleagues, friends, and families to increase others' capabilities to be happy. More than 2,000 person-times had already participated in the PCA programme.

◎ In Shandong, we hosted a Family Day event to enhance our communication with families of our employees

◎ In Guangdong, our employees participated in the "Let hearts Fly" large-scaled drama

◎ In Hubei, we held a Fun Sports Meet for our staff

⭕ BUILDING A RESPONSIBLE NETWORK

With the rapid development of information and communications technology as well as the accelerated development of 3G network and businesses in China, people's needs for communication are becoming increasingly diverse, mobile and integrated. Consumers demand not only high-quality, ubiquitous coverage, but also greater protection of consumer rights. Building and operating a reliable network and improving service quality are our important responsibilities in order to contribute to economic development, improvement of living standards, and the harmony of society. Adhering to our philosophy of "customers are our priority, quality service is our principle", we are committed to building a responsible network by continuously improving our network quality, strengthening our ability to safeguard communication, and optimising our electromagnetic field radiation (EMF) management. We are also committed to creating a healthy communications, environment by continuously improving our services, promoting customer satisfaction and transparency, protecting customer privacy and rights, controlling spam and unhealthy content, and promoting a healthy communications culture.

【 Strengthening Network Reliability 】

Network quality is our foundation as a provider of communications services. In 2010, we continuously improved our network quality by focusing on achieving outstanding network quality and providing reliable communications support.

Improving Network Quality

In 2010, we researched customers' perception of our network, starting from major areas which affected our service quality and focused on resolving problems that customers had the most complaints, such as weak network coverage. We launched a group-wide "Network Quality Competition". By focusing on indicators from 7 aspects including quality comparison, voice quality, and customer complaints, etc., we identified the key issues affecting customers' perception of our network quality. In addition, we established a multi-dimensional evaluation system of network quality that focused on customer perception and successfully solved a number of key issues affecting network quality.

In Fujian, we worked assiduously for nearly 1,700 days on the 5.95 kilometre long Xiang'an Undersea Tunnel project and completed the project 20 days ahead of schedule, bringing seamless network coverage to China's first undersea tunnel.

▶ China Mobile Network Quality and Stability Indicators (Yearly averages)

	2008	2009	2010
Wireless connection rate (%)	99.20	99.22	99.26
Voice call drop rate (%)	0.62	0.56	0.54
SMS delivery rate (%)	99.35	99.47	99.69

Enhancing EMF Management

We attach great importance to EMF management. During the construction of base stations, we adhere to EMF environmental impact assessment (EIA) according to national laws and other related regulations to ensure that our mobile communication network is green, environmentally friendly and in compliance with environmental standards. Adhering to our three principles regarding EMF management: promoting environmental protection, protecting public health, and promoting the development of communications industry, we continue to promote environmental protection in relation to base station EMF management, and to manage EMF risks and pay attention to EMF-related communication work.

In 2010, we focused on strengthening our internal EMF management by making sure the construction of base stations was in full compliance of construction codes and national EMF standards, and we had proper emergency response capacity. We also participated in research work and community communication to help our stakeholders understand this issue.

In 2010, we issued the China Mobile EMF Management Approach, specifying the principles, requirements and assessment methods for EMF management. We also established a base station EMF information system to improve the monitoring process at base stations and establish methodologies and work plans for EMF inspection. Meanwhile, we continued to actively participate in EMF-related activities organised by organisations such as the IEC, ITU and IEEE to take part in the development of protection standards for EMF management.

In October 2010, we arranged our 31 provincial subsidiaries to do sample assessment among the outdoor macro base stations in operation. Assessment results were all lower than the national GB8702-88 EMF standards.

Improving Emergency Communications Support

In 2010, we improved our emergency communications support system with 4 measures: emergency plans, emergency resources and equipment, skill trainings, and emergency drills.

Building emergency management organisation and responsibility	On the basis that all our provincial subsidiaries have established emergency communications offices staffed with designated officers, we started building emergency management organisation to fulfil our emergency communications support responsibility at lower-level organisations.
Improving emergency plan system	We continued to improve our emergency plan system. We have set up a colour coded emergency plan for business specific emergencies, a special emergency plan for various events, and database for emergency plan for equipment.
Conducting emergency drills	We instructed provincial subsidiaries to conduct emergency drills under different scenarios.
Enhancing emergency response skill trainings	Our provincial subsidiaries organised skill trainings for emergency response personnel to help them better protect themselves and perform more effectively at critical situations.

We developed the innovative "Air-Ground" emergency communications system. The system uses the combination of ground-based disaster-resistant super-base stations, mobile emergency communications vehicles, and high-altitude base stations to form a 3-dimensional emergency communications solution.

In 2010, we also cooperated with Peking University and published a white paper titled *Public Psychological Conditions and the Need for Mobile Communications in Sudden Crisis*. As the first research on public psychological needs and the communications needs of mobile users in sudden crisis, it provides a valuable reference to the improvement of the efficiency of disaster relief efforts.

In 2010, based on our high-quality mobile communications services, we provided reliable support during many disasters such as earthquake in Qinghai and mudslide in Gansu, as well as providing significant communications support during significant events such as the Shanghai Expo and Guangzhou Asian Games.

Meanwhile, we continued to use innovative information solutions to provide technical support for the prevention, warning, and relief of disasters.

In Sichuan, we cooperated with the provincial land and water agencies and developed the "Disaster Alert Access" mobile communications solution. The system provides real-time monitoring and warning alerts for natural disasters such as flash floods, heavy storms and mudslides. During heavy floods on 18 July in Dazhou, on 13 August in Deyang, and on 19 August in Guangyuan, the system functioned well and proved its effectiveness. Building of the first phase of the system has commenced in 28 counties in Sichuan.

In Chongqing, we developed the "Geological Disaster Information Management System" using the Internet of Things technology. The system collects information from distributive disaster detection and prevention terminals, and sends the collected information to the Geological Disaster Information Management Platform over a wireless network. It has four major functions: 1) managing information of disaster spots; 2) combining distributive disaster detection and prevention terminals with positioning technology, image capture function, and wireless data transmission; 3) automatically analysing and processing daily monitoring data; and, 4) sending out SMS disaster warnings of different degrees according to the analysis results. The system is already in use in Pengshui county, Kaixian county and Fengjie county, with over 1,000 disaster spots covered by the distributive disaster detection and prevention system.

Providing Communications Support for the 2010 Guangzhou Asian Games

In 2010, under our commitment of providing "the best network, the most excellent business, and the most unique service", we developed the "Asian Games Network Service Support Platform". The system integrates a number of functions, including network performance monitoring, facility monitoring, and emergency dispatching. It played an important role in providing communications support for the 2010 Asian Games and the 2010 Asian Para Games in Guangzhou. In total, we dispatched 25,674 person-times and 232 emergency communications vehicles to provide communications coverage for the stadiums. We successfully fulfilled our commitment with excellent network performance during the opening ceremony, the closing ceremony and the games, and no complaint was filed over network performance in the main stadium area.

● China Mobile Emergency Response Statistics

	2010
Emergency response mechanisms deployed (times)	5,413
Major political or economic events	4,744
Significant natural disasters	437
Large-scale accidents or catastrophic events	75
Critical public health situations	91
Public safety concerns	66
Emergency response vehicles deployed (times)	21,324
Emergency response systems installed (set/times)	124,268
Employees deployed for emergency response purposes (person-times)	354,822

In-Focus: China Mobile in Disaster Relief

In 2010, frequent natural disasters, such as earthquakes, floods, droughts, typhoons and mudslides caused severe casualty and property loss in Mainland China. With our technological and business expertise, we played a vital role during many of these critical situations by providing reliable emergency communications support, helping those in need, and contributing to the support and protection of people's lives and properties and to post-disaster reconstruction.

Emergency Communications Support

At 7:49 on 14 April 2010, a 7.1-magnitude earthquake hit Yushu county, Qinghai province. The earthquake cut off connection of 4 of our optical cables and disabled 64 based stations. We quickly set up a special group to deal with this crisis. We implemented the "Red-Orange-Yellow-Blue" emergency plan to ease the pressure of surges of voice communications in the communication network. Meanwhile, we repaired the disconnected cables and out-of-service base stations to provide communications support for disaster relief efforts. We also dispatched 15 emergency communications vehicles from all over Mainland China with relief supplies and restored communications within 2 days after the disaster. We continued to work on the mobile communications network and restored it to previous conditions within a week.

In the evening of 7 August 2010, heavy rainfalls triggered a large-scale mudslide in Zhouqu county, Gansu province. Half of the town was buried under debris. Although 7 out of our 9 base stations in the county were damaged during the disaster, we are still the only telecommunications company in town that managed to provide communications support. We immediately set up a 3-tier leading group to organise our emergency response efforts. We quickly mobilised our personnel and organised them into teams for emergency communications support and emergency response, and sent them to the disaster area with 20 generators and 10 emergency communications vehicles. Meanwhile, we utilised satellite communications efficiently to provide communications support at the most critical moments. Our response helped restore communications in the disaster area within 2 days.

Disaster Relief

After disasters occurred, we immediately started offering a full range of disaster relief services to help local people and rescue workers, such as continuing services for phones running out of credit, setting up phones to let people call their family members for free, offering free battery charging, handset repairing, and SIM card replacement services. We set up rescue hotlines and Chinese-Tibetan language hotlines to help people locate their missing family members. We also established psychological assistance hotlines to help people ease their anxiety. We provided convenient public information services related to disaster relief efforts, helping government send out disaster relief information, weather information, and secondary disaster warnings.

◎ In Gansu, our emergency team rushed to the disaster area to restore communications

◎ In Qinghai, we set up free phones in the disaster area for people to reach their families

◉ China Mobile Disaster Relief Statistics

	Zhouqu Disaster Area	Yushu Disaster Area
Communications services	We set up 40 free long-distance phones for people to call their families, which were used for 210,000 person-times during the period, and provided free battery recharging services.	We set up 74 free long-distance phones and 6 battery recharging stations.
Disaster relief hotlines	We set up the 10086 rescue hotline, initiated contacts with local and roaming customers to determine their condition. We referred customers' problems and difficulties to rescue services promptly. We also helped contact their families and friends, and inform rescue services and their family members of their identities, location and safety. The hotline handled a total of 1,167 inquiries during the period of the disaster.	Our "Family Connect Hotline" handled a total of 5,990 incoming calls and helped 793 customers locate their families or obtain information on their families.
Community disaster relief information	We sent out over 30 million community disaster relief SMS messages during the period of the disaster.	We sent out 39.68 million disaster relief SMS messages, and 67.76 million messages on services to help with people's lives during the period of the disaster.

Post-Disaster Reconstruction

We actively took part in the post-disaster reconstruction by improving communications services and disaster response capacity in the affected areas through rebuilding communications infrastructure, network facilities, and business premises.

Meanwhile, we made great efforts to raise charity funds for the post-disaster reconstruction. After the earthquake occurred, our parent company promptly donated 20 million yuan as part of our disaster relief efforts in Yushu. Our Qinghai subsidiary donated 118 tents that were worth over 700,000 yuan to victims of the Yushu earthquake, and nearly 2,000 employees donated a total of 280,000 yuan to the disaster areas. Our Gansu subsidiary initiated a "Charity Credit Giving" programme to raise fund for disaster relief efforts after the mudslide in Zhouqu. A total of 622,000 yuan was raised through this SMS fundraising platform from our customers, which was donated to local students from poor families. Our Gansu subsidiary also donated 500,000 yuan through the Gansu Charity Association to the area affected by the mudslide. The China Mobile Gansu Blue Dream Charity Association also made donations to help employees whose families were affected by the disaster.

> " At the dire moments, our daughter's life was saved because of the reliable signal of China Mobile's communications network. Our family will never forget it.
>
> At that moment, I was so grateful to China Mobile to allow me to call my parents back home and tell them that I am safe during the critical hours. The opportunity to make this simple call is priceless. "
>
> –People affected by the disasters

Fighting the Snowstorm Disaster and Ensuring Reliable Communications

In January 2010, a severe cold front brought 4 heavy snowstorms to the northern part of Xinjiang Autonomous Region. Low temperature in most parts of the region reached 36°C to 43°C below zero, and wind speed exceeded 8 degrees and up. Snowfalls reached more than 3 times of the record amount for the same period. It was a once-in-60-years severe weather disaster that lasted the longest, affected the largest area, and with the biggest impact. In northern Xinjiang, Altay, Tacheng and Ili suffered the most as snowstorms blocked transportation and disrupted power supplies, causing great difficulties for local residents. Faced with this rare snowstorm disaster, our Xinjiang office made every effort to provide emergency communications support services.

◎ We promptly started carrying out the emergency communications support plan, formed a special leading group and emergency team, and established a 24-hour on-duty system. We allocated staff and emergency supplies to standby for emergency requests at any time;

◎ In order to ensure the stable operation of our communications network, we develop detailed maintenance schedules, enhanced real-time monitoring, and conducted regular network pre-screening and daily inspection of key areas and key sections to ensure early detection and treatment of possible problems;

◎ In order to enhance our emergency response capabilities regarding inclement weather conditions such as sleet, ice, heavy fog, blizzard, etc., we actively contacted local power and meteorological departments to obtain timely access to power supply and weather information;

◎ We optimised the allocation and dispatching of vehicles, personnel, power generators, and other resources to ensure both network stability and personnel safety under the extremely conditions;

◎ In areas that were inaccessible by vehicles, our emergency team carried generators and fuel on their back to recharge the base stations; and

◎ We assisted the government in disseminating early disaster warnings, weather information and other public service messages, provided continued services for phones running out of credit, and provided the local public with a number of charitable services including free phone calls to families, free battery recharging, and free SIM card replacement.

With all these efforts, we battled with the snowstorm disaster for nearly 20 days and ensured smooth communications for disaster relief efforts with no base station out of service.

◎ In Gansu, our emergency team carried relief supplies when roads were blocked by mudslides

◎ In Qinghai, we allocated relief supplies and shipped them to the disaster area

◎ In Gansu, we set up a temporary China Mobile Library for children affected by the disasters

【 Striving for Customer Satisfaction 】

In 2010, we continued to promote customer satisfaction and an understanding on consumption, improve the protection of customer information, and strengthen efforts to prevent the sending of spam and unhealthy information in order to promote a healthy communications culture.

Inspiring Customer Confidence

To protect customer's right to information and informed choices, and to improve transparency and customer confidence, we initiated the "Consumer Transparency" service featured programme in early 2010. We launched 2 new services to improve consumer transparency. With the first service, customers who have subscribed to new value-added services will receive an SMS reminder before the new service is billed. With the second service, customers can review and unsubscribe from monthly value-added service packages by simply texting message "0000" to our 10086 hotline. We were the first operator in China that offered such services. By the end of 2010, all 31 provincial subsidiaries had upgraded their support system for the new "Consumer Transparency" service programme.

Meanwhile, our clear information display, personalised pricing guidance and attentive services and communications helped customers better understand our business information and pricing packages.

In Shandong, we displayed brochures of service package information in prominent location in service halls, and used newspaper advertisement, leaflets, posters, and SMS to inform customers on how to check billing information on our service packages.

In Liaoning, we provided new customers with detailed pricing guidance to help them choose service plans, sent pricing information to existing customers, and responded to customers inquiries on pricing.

In Gansu, we improved billing statements, showing customers detailed charges for voice and SMS services in billing statements and the subscription date and channels of subscription for services with fixed monthly charges such as GPRS and Colour Ring packages.

◎ In Shaanxi, we launched a "Transparent Consumption Campaign" on March 15

Special Campaign on Improving Billing Accuracy

On 4 July 2010, media reported the story of several of our provincial subsidiaries having a billing error. We attached great importance to the incident and asked these provincial subsidiaries to investigate this issue and take appropriate corrective measures as soon as possible.

The investigation revealed that our Hainan provincial subsidiary did have a billing accuracy problem. We compensated affected customers with twice the amount of the billing errors and upgraded our billing system accordingly to prevent future problem. Meanwhile, we analysed 8,827 cases of customer inquiries and 557 customer complaints about billing issues and responded accordingly to most of them. We revised the *Customer Complaint Management Approach of China Mobile Hainan Company* and identified 10 key problems based on the customer feedbacks. By the end of 2010, 70% of the key problems had already been resolved, while solutions and timetables had been created for 10% of the remaining problems and the 20% of the problems which could not be solved at the provincial subsidiary level had been reported to the headquarter. We also upgraded our support system and started offering 3 service measures to customers throughout the Hainan provincial subsidiary, including allowing customers to review and unsubscribe from value-added services, receiving billing reminders for charges for value-added services, and refund first before investigating disputes over charges of Monternet services.

At company headquarters level, in 2010 we focused on optimising the integration of billing function and comprehensive account management, and improved the timeliness and accuracy of billing for data services. From August to December 2010, we ran a special contest with the topic of "Implementing Operation Standards and Enhancing Customer Perception" on procedures related to billing accuracy for voice services. Through the contest, we optimised our business supporting capacity and developed procedures and standards for generating billing statement for voice services. This helped us better protect consumer rights through a closed-loop management system.

● China Mobile Billing Accuracy Statistics

	2008	2009	2010
Voice business billing accuracy (%)	99.9996	99.9993	99.9996

In 2010, we introduced a variety of measures to improve the efficiency, quality and convenience of our services to better meet customer needs.

We continued to improve the closed-loop management for the quality of our products and services. In 2010, we established a support system for value-added services that is "highly responsive, highly efficient, and closely monitored," and we improved service quality management regarding our value-added business partners and optimised our collaboration management procedures. In addition, we initiated a campaign to improve product quality. For value-added services, we established a product quality improvement mechanism, service quality evaluation mechanism and a product quality information database. We also assisted our parent company to establish a full lifecycle product quality management system for TD terminals to achieve higher product quality and better customer experience.

In Shanghai, we launched 4 service promises of "responding to billing complaints within one day, double confirmation for service subscription, customer waiting time within 10 minutes, and hotline connection within 15 seconds". Customer waiting time in service halls was shortened by installing queue management system and optimising queuing rules. Our customer service representatives at the 10086 hotline were able to connect an inquiry call in 15 seconds compared to 30 seconds previously, achieving a leading position in the industry.

In Xinjiang, we introduced the cartoon character "Little 'e', the Intelligent Customer Service Representative" on our portal site. Its humorous and lively tone and language effectively changed the stereotype of system-generated automated responses.

With continued efforts, we have maintained a high quality of customer service. Our overall customer complaint rate continues to decline, and our complaint rate per million customers remains the lowest in our industry.

Serving the Asian Games with 12 Measures

In Guangdong, we introduced 12 measures to help create a wonderful Asian Games:

◎ Rate reduction;

◎ Free incoming calls within Guangdong, and fixed rate for ongoing calls;

◎ Fixed rate for long-distance calls;

◎ 2G users can upgrade to 3G services without changing mobile number, SIM cards or re-registration;

◎ 100% reliability of communications;

◎ VIP service plan for long-term customers;

◎ "Guangdong, My Home" service programme for migrant workers;

◎ Self-managed service unsubscription by texting "0000";

◎ "Confidence 100" service programme that protects consumer information;

◎ Three platforms to continuously control unhealthy information;

◎ A variety of informationised innovative new products for the Asian Games; and

◎ The "Service Upgrades with Your Participation" programme that aimed at collecting customer feedback and suggestions.

◗ Complaint Rate per Million Customers

	2008	2009	2010
Complaint rate per million customers (cases)	11.4*	11.75	8.53

* the average number from the second quarter to the fourth quarter of the year 2008.

◗ Measures to Meet Customer Service Needs

Sales and marketing channels: improving efficiency and shortening waiting time	◎ Adjusted business hours according to local customers' shopping habits; ◎ Set up mobile service terminals or mobile service desks in services halls located in busy city areas; ◎ Enhanced preparatory work to save customer time, such as helping customers photocopy identifications documents or answering customers inquires while they wait to be served; ◎ Optimised the design of promotional activities and simplified service procedures to save customers time; and ◎ Improved service facilities and installed self-served service terminals in service halls.
10086 hotline: improving service quality and problem solving capacity	◎ Optimised self-service procedures and streamlined 10086 self-service menu to allow customers to better navigate to find the service options they need; and ◎ Organised skill contest to improve customer service capacity.
Electronic channels: optimising service functions and improving service convenience	◎ Added the "Chinese keyword fuzzy query" function to our SMS service centre to help customers locate service options more easily from menu items and process their business requests or inquiries conveniently; and ◎ Started using the all-in-one domain name, http://10086.cn (the previous domain names are still valid). Customers can access basic services such as inquiry, complaint, services subscription and change of services subscription at this domain or at the websites of provincial subsidiaries which can be linked from this domain.

Strengthening Information Security Management

Information security is becoming an increasingly important and urgent issue as the accelerated development of technologies such as cloud computing, the Internet of Things and Mobile Internet make mobile communications an integral part of our lives. We attach great importance to and take responsibility in protecting the security of customer information. In order to further enhance information security management and protect customer privacy, in 2010 we established a nation-wide information security management accountability system, improved management mechanisms and approaches, and strictly implemented the *5 Bans for China Mobile Customer Service*.

Establishing Information Security Management Accountability System: We developed the *China Mobile Information Security Accountability Management Method (Trial)* and the *China Mobile Information Security Accountability Matrix (Headquarter) V1.0*. These documents clearly defined the scope, responsibility, standards and examination methods regarding information security management. Our information security accountability system covers the entire company, with dedicated departments and personnel at both headquarters and subsidiaries, as well as a daily communication mechanism that help with their work.

Improving Information Security Management Measures: We took a number of measures to improve our information security management, such as information security supervision and examination, problem-solving mechanism and experience sharing and promotion.

Information security supervision and examination	Evaluated major security risks and developed an information security evaluation indicator system.
Problem solving mechanism	Specified standards and rules to deal with violations and implemented stricter punishment; and Established a closed-loop management cycle and violation report system to deal with violations of the "5 Bans" and provided preventive education to employees.
Experience sharing and promotion	Summarised provincial subsidiaries' experience in protecting customer information security, and compiled the *Solutions to Customer Information Security Protection*.

Refining Information Security Management Approaches: We developed and implemented information security requirements for different systems, and enhanced control at the business level with technical approaches to prevent both internal and external security breaches that caused either by own errors or by external security attacks. 29 provincial subsidiaries had completed the phase 1 project of the building of the Internet Security Control Platform with thorough records of human operations, effectively preventing security risks from system maintenance personnel.

In Shaanxi, we established a designated position to handle complaints concerning violations of the "5 Bans". Violators, once identified, will be punished and the punishment depends on the accountability and severity of the violation. Severe violations will be punished by employment termination and turning over to law enforcement, etc.

In Jiangsu, customer information was encrypted with 3 key measures: dynamic encrypting, information black box, and tracing of information use, forming a closed-loop management cycle. There measures effectively improved our management of customer information security by ensuring that "information is unavailable to leak and unrecognisable if leaked, and the information, even if recognised, remains traceable."

"5 Bans" for China Mobile Customer Service

- Do not disclose or exchange customer information;

- Do not send illegal information or send commercial advertisement without customer's consent;

- Do not subscribe or unsubscribe services for customer without customer's confirmation;

- Do not collude with, cover up or allow providers of value-added services to disclose customer information, subscribe data and information services for customers, or to do other activities that infringe customer's rights; and

- Do not collude with, protect or encourage channel or system partners to give out customer information, embezzle customer's payment, transfer or close customer's account without permission, sell phone number information, as well as other activities that infringe customer's rights.

Advocating for Healthy Communications Culture

With the increasing popularity of Mobile Internet, mobile handset is increasingly becoming a personal information centre and give people convenient access to information. However, some people use it to diffuse spam and obscene content, poisoning the culture of society. In order to fulfil our responsibility in creating a healthy and positive communications environment, we adhere to laws and regulations, attach great importance to relevant customer complaints, and actively control spam and obscene content to promote a good communications culture.

In 2010, we launched a special campaign to control spam messages. By establishing a spam monitoring and management system and applying refined monitoring and management principles to spam monitoring, we saw a significant fall in the relevant number of customer complaints.

Technology	◎ Enhanced monitoring systems to monitor, identify and block spam messages, allowing for real-time, quasi real-time and asynchronous monitoring; and ◎ Added numbers or sources which send out malicious texts to a blacklist system to block their SMS function;
Management	◎ Formulated and issued the *Management Approach on Controlling Spam Messages (Trial)* to regulate the procedures to identify spam; and ◎ Consolidated customer complaints and established a weekly notification system.

In Hebei, we assigned employees to monitor spam and specified the rules and procedures to identify and deal with spam messages. We also sent SMS reminders to new customers to educate them about the risks associated with spam messages.

In order to control obscene content, we developed data blocking mechanisms and closed-loop inspection procedures, and intensified our monitoring efforts in 5 main ways:

◎ Cutting off the profit chains through which obscene and pornographic websites receive their income;

◎ Suspending cooperation with Internet channels;

◎ Intensifying website registration management;

◎ Stopping multi-layer subletting of websites; and

◎ Managing the change of domain names in websites.

In Yunnan, we organised a team of "mothers" from our employees to help with the screening of unhealthy content. "Team Mom" determined whether the content was appropriate as if they were choosing for their children to watch. Over 140 employees have participated in for "Team Mom".

In 2010, we launched a series of events to promote the development of healthy cell phone culture. We set up a content database that could be accessed nation-wide and stored a variety of excellent content including articles, pictures, ring tones, and cartoons. Then we circulated these contents using mobile handsets, such as SMS, MMS, Fetion, 139 Mailbox, 139 Talk, and Colour Ring, etc., creating a new model of promoting cultural development.

From April to November 2010, we launched the featured SMS/MMS creation and relay event with the subject of "To World Expo, and To Asian Games". Over 15.48 million people contributed by sending the content they created. Over 82.66 million people received this information, and during the event a total of 188 million pieces of communications were uploaded, downloaded and forwarded. The event generated 7 million yuan from SMS communications, all of which was donated to the China Foundation for Voluntary Service to support charitable causes.

Meanwhile, over a hundred mobile cultural communications events with local characteristics were launched across China and such as SMS creation communications competition events: "Caring Jilin" event in Jilin, the "Red Liaoning" event in Liaoning, and "Motto Relay" event in Chongqing, creating the unique cultural phenomenon of "Red Pieces".

Developing the Obscene and Pornographic Website Automatic Dialling & Testing System

We continued to develop new automatic dialling and testing technologies for locating and identifying websites with obscene and pornographic content. In 2010, we set up 3 testing centers in Beijing, Shanghai and Guangdong. As of the end of 2010, we had tested over 2 million websites, and effectively blocked 85,280 websites and 1,667 IP addresses with obscene and pornographic content following due procedures required by law.

China Mobile Statistics on Managing Unhealthy Content

	2008	2009	2010
Cumulative number of spam messages blocked (billion)	5.4	10.0	22.2
Cumulative number of customer complaints related to unhealthy content addressed (million)	7.63	15.00	21.84

◎ In Shandong, we launched the "Let Dreams Fly" green mobile cultural communications campaign

○ NARROWING THE DIGITAL DIVIDE

2010 was a milestone year for the efforts to narrow the urban-rural digital divide in Mainland China. Proactively supporting by our parent company, China achieved its milestone target of 100% coverage of all administrative villages in Mainland China. As we continued to expand network coverage to remote areas, we also focused more on how to use mobile communications to help farmers improve their lives, increase agricultural productivity, and speed up rural community development. Meanwhile, in order to benefit even more groups with information and communication services, we strengthened our efforts in providing disadvantaged groups, such as the elderly, the disabled and the ethnic minorities, with customised products and convenient services. We will keep on strengthening the accessibility of telecommunications services to give each individual an opportunity to live a wonderful life enabled by mobile communications.

【 Accelerating Rural Informatisation 】

We have always considered narrowing the urban-rural digital divide as our priority, aiming at benefiting farmers through rural communications, distribution and information networks and promoting rural informatisation. We made great strides in developing our Rural Communication Network and expanding our Rural Information Network and Rural Distribution Network for easy, affordable and valuable access to mobile communications and information services for farmers. These mobile information services stimulated economic development and social progress in rural areas.

Advancing the Village Connected Project

Since 2004, our parent company has made progress on the national Village Connected Project, in which it aims to solve the problem of signal coverage in rural areas and has committed to the 51% of the set objectives of the project. As at the end of 2010, our parent company has cumulatively covered 89,000 remote villages with our mobile communications network and helped increase the coverage for administrative villages and natural villages in China to 100% and over 94% respectively, representing an increase of 8 percentage points and 2 percentage points respectively.

Improving Rural Network Quality

Network communication in rural areas is often affected by disruptions or poor quality due to inadequate power supply. In this regard, in 2010, we adopted a variety of measures to improve the power supply reliability and emergency power generation efficiency of rural base stations to ensure safe, stable and efficient operation of rural area networks.

Looking forward, we will assist our parent company to overcome the challenges from areas which are even more remote and under more adverse geographical conditions and continue to advance the construction of the Village Connected Project. We will also strengthen the joint construction and sharing of communication infrastructure to maximise the value of construction resources of the Village Connected Project. Additionally, we will further improve the quality of rural telecommunication by focusing on the optimisation of key projects in key areas.

◉ China Mobile Parent Company Village Connected Project Statistics

	2008	2009	2010
Cumulative number of administrative villages covered via our Village Connected Project	41,843	43,714	45,514
Cumulative number of natural villages covered via our Village Connected Project	19,904	34,122	43,570

◎ In Hebei, the Village Connected Project regarding natural villages was in smooth progress

6 Key Efforts to Improve Rural Network Quality

○ To use "Off-switch Power Plus Battery" to increase the environmental adaptability of power supply systems at base stations;

○ To replace aging batteries timely to increase the backup capacity of power supply systems at base stations;

○ To increase the number of emergency generators to solve the early aging problem of batteries;

○ To carry out centralised monitoring on the power supply of base stations in rural areas and optimise support system for power supply;

○ To install high-speed power generation hardware; and

○ To increase emergency repair efficiency by developing the generator scheduling function module.

◎ In Beijing, we launched the Shang-Nong.com web portal to promote the development of urban modern agriculture

◎ In Fujian, a farmer submitted a loan application using our mobile information terminal

Improving Our Rural Information Network

Rural Information Network is our general gateway and platform to serve the rural areas. In 2010, we completed the Phase-III construction of our Rural Information Network, which strengthened our capacity to support rural information products nation-wide. We improved the rural information database that supports nation-wide sharing of rural information with more services and information resources. Now people have basic access to information on rural recruitment, sales of agricultural products, agricultural technical consulting, production and living, and policies and laws.

As at the end of 2010, there were more than 19 million rural customers on our Agricultural Information Service and we had sent out an average of 19.5 million SMS a day. We received an average of 26,000 calls per day for our "12582" hotline service, and our website, www.12582. com, ranked the first among agricultural websites in China by number of hits. Our Rural Information Network has become an important and effective channel to obtain useful information and provided powerful information-based support for farmers to expand production, increase income, and improve living conditions.

In Shandong, we established a three-tier information service system at the county, township and village level. At the county level, we collaborated with government agencies and leading agricultural enterprises to set up an SMS platform for interaction between agricultural experts and farmers, which facilitated transmission of information to fields and greenhouses. At the township level, through the Rural News service, we promptly delivered practical information, such as government policies that benefit farmers, agricultural alerts and local news, to rural subscribers. At the village level, we promoted the application of rural information terminals to meet the demands of rural residents for information such as village news, market conditions for agricultural products and sales of agricultural products.

▶ China Mobile Statistics of Rural Information Services

	2008	2009	2010
Agricultural Information Service customers (million)	38.68	46.14	56.87
Number of agriculture-related items posted on the Rural Information Network website (million)	3.92	5.59	7.24

Enriching Rural Information Services

Since 2008, we developed a number of sub-services for our Rural Information Access, such as Rural Job Network, Rural Administration Information Service, and Rural Information Package. In 2010, we further improved these services according to market demands. By the end of 2010, the Rural Job Network hotline had been called over 1.12 million times cumulatively, over 31,000 times per month on average. It provided nearly 200,000 job opportunities each week, helping the government solve the employment issues of migrant workers. The Rural Administration Information Service supported the management efficiency of local governments in rural areas by providing administrative information services to 21,000 grassroots administrative organisations in rural areas nationwide.

In Fujian, in 2008, we started a pilot project for rural financial information service in Ningde city, and developed the Rural Microcredit Self-service Information Platform. We consolidated agriculture-related resources of financial institutions, poverty alleviation agencies, agricultural businesses and the government to achieve centralised management of data, information and microcredit service. Farmers could apply for loans from their handsets or rural information terminals by SMS and WAP. Both loan application process and the approval process became paper-less, and the review process of loan applications was shortened from several months to only three working days. We are planning to expand this service throughout the province in 2011.

In Gansu, by collaborating with local government, we developed the rural information integration platform Agriculture Support Service. The platform has four components: Agriculture Support Family Service, Agriculture Support Know-how, Rural Information Access, and Automated Monitoring and Control System. Together, these components help farmers control communication costs, access information, obtain information on business opportunities, and manage modern agricultural production respectively. Each year, this service can save the local government 5 million yuan annually in terms of promotion expenses for rural policies, and generate about 200 million yuan of direct and indirect economic benefits.

◎ In Jilin, we organised field trips for agricultural experts to disseminate agricultural knowledge in the countryside. A total of over 170 person-trips were made to serve over 60 villages and towns

◎ In Shandong, a China Mobile employee showed farmers how to use a mobile telephone to search for information

Developing Modern Agricultural Solutions

We take advantage of mobile communications technology and advance the transition from traditional agriculture to modern agriculture with the help of information solutions. We developed various information-based applications, such as greenhouse remote monitoring, automatic drip irrigation, and milk source safety information management, to enable accurate management of agricultural production.

In Xinjiang, we actively advanced the application of "Mobile Internet of Things for Agriculture". To date, more than half of the districts and areas in Xinjiang have applied such projects as standard wireless production and monitoring of agricultural greenhouses, wireless automatic water-saving drip irrigation, wireless water quality monitoring of fresh water aquaculture, water conservancy and hydrographical data, and animals and plants sourcing:

◎ In Tacheng, we implemented the greenhouse management project, which included real-time monitoring of the greenhouse temperature, soil moisture, and wireless automatic drip irrigation control;

◎ By combining the Israeli drip irrigation technology and the Mobile Internet of Things, we realised automatic data collection and full automatic drip irrigation in 100,000 mu of farmland for the Xinjiang Production and Construction Corps;

◎ Through remote transmission of meteorological data with mobile network, we have successfully realised the timely agrometeorological forecast for the 1,100 meteorological monitoring areas in Xinjiang and thus can provide accurate warning and attenuate the impact of disastrous weather on agriculture;

◎ By means of mobile information services, 29 organisations were able to collect flood and drought information, release flood, drought and hurricane information, and conduct remote monitoring for all 12 regions in Xinjiang.

In Gansu, we installed wireless intelligent control modules at 150 important water diversion junctions on the irrigation system in Zhangye city and constructed an information monitoring platform using wireless transmission technology to remotely control the opening and shutting of the water gates. With these information-based solutions, we have achieved accurate and efficient remote monitoring and management of agricultural water in the irrigation area.

Customised Services for Rural Residents

In 2010, to better serve our rural customers, we cooperated with various parties and changed our two-tier "city to county" sales model to a three-tier "city to county to village" model. Additionally, we developed network service channels such as Remote Number Selection and Remote Recharge to counteract limited access to sales and services and difficulty in making payments in rural areas. By the end of 2010, we had developed nearly 580,000 sales channels in rural areas, built 118,000 rural information service stations either on our own or in cooperation with local government, and recruited 93,000 rural information assistants.

Considering customers' consumption patterns in rural areas, we provided farmers with special price local rural calling packages and rural customer group packages, offering rural customers services they can afford.

In Gansu, we went beyond traditional sales models and offered door-step services in Zhangye city. Through over 100 China Mobile sales stores, over 800 rural information service stations and a team of 500 sales representatives, farmers have been provided with convenient services such as Remote Number Selection, Remote Activation, and Remote Recharge.

In Guangdong, we launched the Rural Information Access value-added service to help farmers learn new agricultural technology and increase their income. This project provided farmers with value-added services such as expert guidance and market price analysis, as well as practical guidance on pest control, new farming and animal husbandry techniques and seed selection.

▶ Number of China Mobile's Rural Sales Channels (10,000)

Year	Value
2008	43.25
2009	56.23
2010	58.00

【 Expanding Information Service to a Wider Group 】

How to involve a wider group in sharing the wonderful life brought about by mobile communications has always been a challenge for us. We focus on the special needs of the disadvantaged groups, such as the disabled, the elderly and ethnic minorities, and make efforts in overcoming the inconvenience for them to use mobile communications. With a number of customised products and services, we have brought them accessible mobile solutions that meet their unique needs.

Building an Information Platform for the Disabled

China has approximately 83 million disabled people who also impact 260 million family members. On the one hand, we try to meet their special communication needs and help them communicate with others through our different information channels; on the other hand, we provide the disabled with an information support platform through which they can access practical information on interaction, education and employment to stay close to society. We also set up special service desk and install barrier-free facilities in our service halls to ensure convenience for the disabled.

In Guangdong, since 2006, we started cooperating with the Guangzhou Federation of Disabled Persons to initiate the Caring Mobile Information Service programme, and built a communication platform for the deaf, the mute and other disabled with visualised text-based interaction services, special SMS ports with priority access, special service protocols and free voice service. Armed with these special services, the disabled can also experience the convenience brought by information technology. By now, the platform has already provided services for around 5,000 disabled people.

Information Services for the Elderly

China is now entering an aging society. Statistics show that as of 2009, there were 167 million elderly people over 60 years old in China and over 50% of families in China were "elderly empty nest" families. We studied the needs of the elderly both under normal circumstances and during emergencies, and based on our findings, we developed handsets and service packages customised to their needs, and established information platforms to help take good care of them.

In Heilongjiang, in cooperation with Harbin Help-You Elderly Public Welfare Service Centre, in early 2010 we initiated the project of "Community-Based Elderly Care and Household Services" and launched the "24-Hour Service Platform for the Elderly". Elderly customers are equipped with a special terminal which they can use to call for help, either for emergency aid or household chores. The terminal has different functions such as Push-for-Help, Notice Sender, and Maintenance Call. As of 30 June 2010, 928 elderly were given emergency handsets and a special pre-paid Easy-Own SIM card. During this period, 23,257 service requests were received and processed. Among all, the emergency aid service successfully saved the lives of three elderly people.

In Gansu, we launched the "Virtual Nursing Home" project in Lanzhou city in October 2010. With this service, elderly people can dial the service hotline number for over 60 different services under 7 major categories, including caretaking, housekeeping, property maintenance, culture and recreation, counselling, healthcare and legal services. Local elders began calling our project the "Nursing Home on the Phone".

For some elderly people, learning how to use mobile phones is a daunting task and a "technological divide". In 2010, we conducted modern communication product education specifically to teach the elderly how to use mobile phones.

In Shanghai, we customised our 10086 hotline menu for elder customers who are over 60 years old and their calls will be transferred to a special service team. On average, we receive 150,000 calls from elderly customers each month. Meanwhile, to allow elderly customers to better understand our mobile business, we extended our services to additional communities and sent our employees to show elderly customers how to use our online and SMS service centers and spam filters. In 2010, we carried out 20 community service events and served over 1,600 elderly customers.

Serving the Asian Para Games

As an important partner of the Asian Games in Guangzhou, we introduced 12 special services for the disabled during the Asian Para Games in December 2010. The professional and convenient services for the disabled included free special service SIM cards, free special service mobile phones, sign language interpreters, special service desks, special passages, G3 video sign language service, on-site discounts, Sign Language Day, etc. We created three "first times" during the event: first time to provide 1008628 video-based sign language service, first time to introduce special SIM card for the Asian Games to the handicapped, and first time to launch the China Mobile Sign Language Day event.

Bring Out the Beauty of Your Hometown in Your Fingertips

In Neimenggu, we launched the "i-Life, and Love Our Hometown" cultural event, inviting people to create and submit multimedia works that show the most beautiful side of Neimenggu through beautiful sceneries, pictures and songs. Submitted works were demonstrated in the form of SMS, MMS and Mobile Papers, while the final winning works were compiled into an e-book titled "Impression of Neimenggu". People were also invited to vote for the "most beautiful hometown" contest, during which they could download ethnic music ringtones and forward SMS and MMS to support their hometown. As of the end of August 2010, the event has received favourable responses from the community, with over 1.5 million people participated in this event and the organisers received 1.39 million SMS/MMS and 200 ethnic music ringtones.

◎ In Gansu, we served the Dongxiang ethnic minority in Linxia county

Serving Ethnic Minority Groups

We take into account the unique characteristics of different ethnic minority groups to develop services with unique features. By doing so, we not only promote the development of mobile communications in minority regions, but also contribute to the conservation and dissemination of different ethnic cultures.

In Xizang, we developed the "Tibetan SMS Platform" and "Mobile Phone Tibetan Input Method", with which editing, content subscribing and information selection could be done in Tibetan language. Some models of smart phones were already able to support Tibetan-language input and the transmission of Tibetan-language text messages.

In Xinjiang, we successively launched the Masher Card, "Mara", Uighur-language 12531 Colour Ring, Uighur-language Mobile Paper, Uighur-language 12580 Information Service Center, Ethnic Music and Game Service to enrich people's cultural lives.

In Ningxia, Tongxin county has a large Muslim population. We developed an internal roaming plan customised to their needs during pilgrim trips to Mecca, established special service desks, showed customers general information about mobile phones in detail and how to make international phone calls, and produced booklets on rate-related information for pilgrims.

In Sichuan, by working with music producers and local culture offices, we sorted and recorded over 1,000 songs in ethnic-minority languages. Then we produced colour rings and ringtones with them for customers to download. These efforts contributed to the protection and dissemination of the music heritage of ethnic minority groups.

Looking forward, we will continue to assist our parent company in advancing the Village Connected Project and improving the network coverage in rural areas. We will develop our rural service network in combination with the "Ten Thousand Villages and One Thousand Townships" project, so as to better serve our customers in rural areas with mobile communications network. We will continue to develop the Rural Information Access 12582 business, providing rural customers with job opportunities, agricultural production information, agricultural information and rural business information through voice hotlines as well as SMS and Internet services. We will build the Rural Information Access 12582 business as the information hub for farmers, promote informatisation in rural areas, and continue to narrow the urban-rural digital divide.

Additionally, we will also continue to look into demands of groups that need special attention such as the disabled, the elderly and ethnic minorities, and provide them with different innovative services that improve their safety, communications, quality of life and cultural life. Using the most advanced mobile communications technology and service applications available, we will build an information bridge for them to cross the digital divide.

○ ADDRESSING CLIMATE CHANGE

We attach great importance to the challenges to the sustainable development of mankind from climate change and adhere to national policies and guidelines on energy conservation and emissions reduction. Since 2007, we have been fully implementing our "Green Action Plan", which focuses on energy conservation and emissions reduction with a 3-level strategy: internally by improving operational efficiency and cutting costs through improved management, technological innovation and structural optimisation; externally by forming a green "Blue Ocean" with industry peers through increased collaboration with upstream industry chain partners as well as joint construction and sharing of communication infrastructure with industry peers; lastly, by providing innovative low-carbon information technology solutions for our customers, which facilitates the development of a resource-saving and environmentally friendly society.

【 Building an Energy Management System 】

In order to grow harmoniously with our industry, society and nature, we take a systematic and scientific approach to develop our "Green Action Plan" based on the coexistence of industry chain, as well as the maximisation of overall benefit to our value chain. Our "Green Action Plan" has four sub-systems: corporate value improvement, industry chain growth, environmental benefits, and social benefits.

In 2010, we continued to implement our "Green Action Plan." Internally, we enhanced our management and changed our mode of development by improving our energy management system, creating new ways to conserve energy, and promoting proven energy saving technologies. Externally, we leveraged our influence to promote energy conservation and emissions reduction both within our industry chain and throughout society.

In 2010, we further evaluated and upgraded the energy efficiency standards that we initiated in 2009. In order to do so, we directed our 31 provincial subsidiaries to evaluate the overall energy efficiency of their data centers, base stations and buildings designated as pilot "green buildings". In Dongguan, Guangdong province, we commissioned a third party to conduct a greenhouse gas inventory pilot programme.

As one of the first 3 pilot state-owned enterprises, our parent company collaborated with relevant agencies on a research project named "Evaluation of the Results of Energy Conservation and Emissions Reduction at State-Owned Enterprises". This project applied energy management systems such as ISO50001, and implemented new systems that manage energy consumption along the full lifecycle including research and development, procurement, production, service and management.

In 2010, we summarised our experience from implementing the "Green Action Plan", and developed a new plan: the *2011-2015 Plan for Energy Conservation and Emissions Reduction*, to build a long-term energy conservation mechanism.

◐ China Mobile "Green Action Plan" Framework
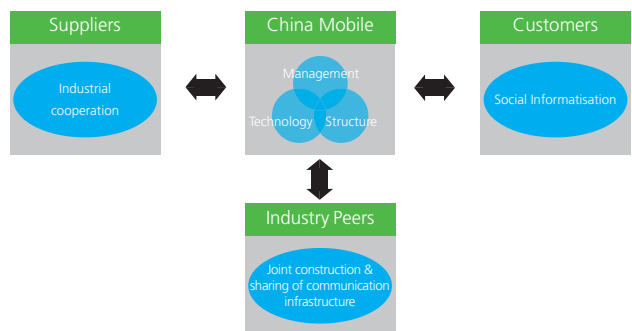
Recognitions in 2010 Regarding Our Environmental Management

◎ "Green Low-Carbon Enterprise Pioneer Award"

◎ "Energy Conservation and Emissions Reduction Model Enterprise" by China Environment Federation

◎ "China's Top Ten Energy Conservation Contribution Enterprise" by China Energy Conservation Association

◎ "Outstanding Contribution Enterprise in Promoting Energy Conservation and Emissions Reduction with ICT" by Chinese Institute of Electronics

◎ Our "Green Packaging" won the Gold Award on Sustainable Development awarded by the World Packaging Organisation

◎ "Promoting Energy Conservation and Emissions Reduction with a Scientific and Systematic Approach" won the first-class prize at the Seventh Management Innovation Evaluation of the National Communications Industry

◐ Impact of the "Green Action Plan"

- Corporate value improvement sub-system
- Industry chain growth sub-system
- Environmental benefits sub-system
- Social benefits sub-system
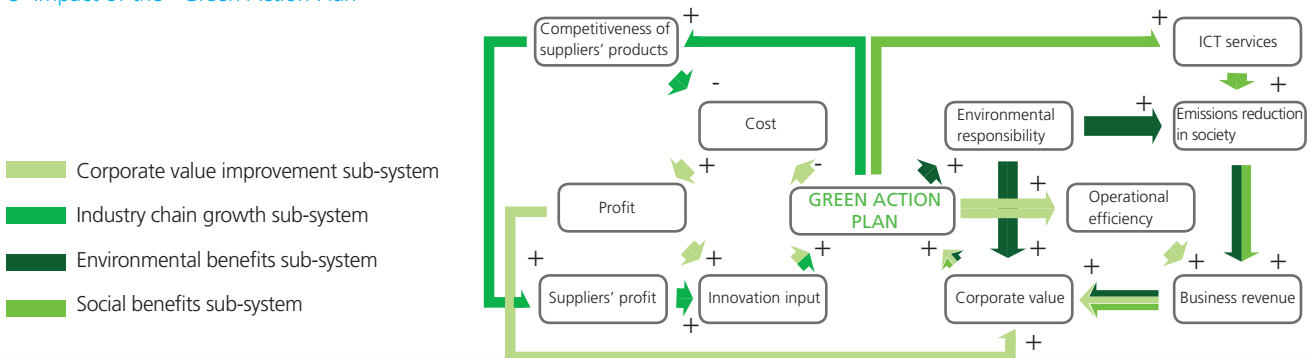
【 Managing Our Own Environmental Footprint 】

In 2010, we continued to improve the management of our environmental footprint. On the one hand, we tried to fully tap our energy-saving potential by focusing on network operations from the aspects of network equipment, air-conditioning system, power systems and others. On the other hand, we actively developed electronic channels in sales and customer services to lower the energy consumption of our business operations.

Building a Green Network

We conducted research and pilot programmes on new energy-saving technologies regarding the air-conditioning system, power system and network technology, and implemented those that proved to be effective. Meanwhile, we continued to build alternative energy base stations and piloted the technology of using both alternative energy and utility power. We also tried new technologies and equipment, such as distributive base stations, when assisting our parent company with the Village Connected Project in order to lower the energy consumption of network equipment and air-conditioning units. In 2010, according to the improved measurement approach, our electricity consumption per unit of telecommunications traffic decreased by 14.8% compared to 2009, representing a 50% drop from 2005, 40% over our reduction target.

◉ Use of Alternative Energy in China Mobile Base Stations

	2008	2009	2010
Total	2,135	6,372	7,795
Solar energy	1,615	5,581	6,279
Wind energy	–	72	308
Solar and wind energy	515	689	1,069
Other	5	30	139

◉ China Mobile Lead-Acid Battery Recycling Statistics

	2009	2010
Discarded lead-acid batteries (million of Ahs)	132.66	125.85
Lead-acid batteries recycled (million of Ahs)	98.74	104.44
Lead-acid batteries reused (million of Ahs)	41.54	26.65

◉ China Mobile Electricity Consumption per Unit of Telecommunications Traffic over 2005

-11%   -20%   -32%   -41%   -50%

Reduction of 50% from 2005 level

2005   2006   2007   2008   2009   2010
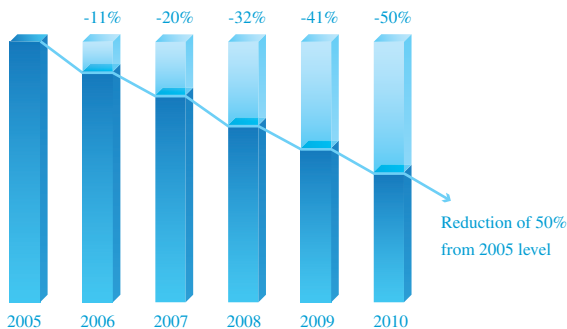
Note: In 2010, we further improved our measurement approach. Currently, "traffic (measured in MB)" includes voice and data businesses on both GSM network and TD-SCDMA network. Adjustments have been made to historical data to reflect this change.

Alternative energy base station

As at the end of 2010, we had constructed more than 7,700 wind and solar power base stations, including the largest cluster of solar power base stations on the Qingzang Plateau with an average elevation of 4,000 metres. We also carried out pilot expansion projects over 200 energy base stations.

Distributive GSM base station

Uses less space, energy and materials than traditional base stations. Widely used in providing coverage for indoor, road, and rural areas.

New types of battery

Has wider range of temperature adaptation that can lower air-conditioning energy consumption; lab testing completed; field testing underway in 5 base stations.

Constant temperature battery pit

Allows base stations to operate at higher temperature; lowers air-conditioning energy consumption by 15%; over 2000 units in use in Neimenggu and Henan; annual energy savings of around 1 GWh per year.

Intelligent wireless carrier frequency

Automatically shuts down idle carrier frequency; reduces energy consumption by 12% to 20% on average; over 4.2 million units in use; annual energy savings of over 500 GWh per year.

Base station cooling system optimisation

Uses natural sources for cooling; lowers air-conditioning energy consumption by 20% to 80%; 57,000 sets of natural cooling equipment installed.

Heat-reflective insulation coating

Painted on outer wall of base stations; reduces air-conditioning energy consumption by 10% to 20%; large scale pilot applications in suitable regions nation-wide.

Advancing "Joint Construction and Sharing" Efforts

Joint construction and sharing of telecommunications infrastructure is an effective and rational way to utilise space and resources, increase facility utilisation ratio, and reduce energy and resource consumption during operations. In 2010, our parent company issued the *2010 Guidelines for Joint Construction and Sharing of Telecommunications Infrastructure of China Mobile* and corresponding management rules. In addition, we undertook research on a variety of related topics, such as joint construction and sharing technology in subway lines, comparison studies of EMF EIA results, joint standardisation in equipment rooms at base stations and research on the application of micro optical cable technology, to lay a technological foundation for future joint construction and sharing of telecommunications infrastructure.

In 2010, we actively assisted our parent company with the implementation of multiple joint construction and sharing projects for major events, national and local key construction projects, rural network construction, natural reserves or scenic resorts with relatively higher requirements for environment protection, and post-disaster reconstruction. As a result of joint construction and sharing, we have saved approximately 75,000 tonnes of steel and 64,000 cubic metres of timber.

◉ 2010 Network Infrastructure Joint Construction and Sharing Statistics of our Parent Company

	Joint Construction Rate (%)	Sharing Rate (%)
Tower	62	80
Pole line	32	84
Base station	43	81
Transmission line	31	84

◉ China Mobile Energy and Resource Consumption

	2008	2009	2010
Total electricity consumption (GWhs)	9,350	10,620	11,940
Natural gas (million cubic metres)	4.3	6.0	5.5
LPG (hundred tonnes)	3.0	8.6	6.7
Coal gas (million cubic metres)	—	0.8	1.0
Coal (10,000 tonnes)	7.0	4.4	4.5
Gasoline consumption (million litres)	118.8	131.7	133.8
Gasoline consumption for management related issues (million litres)	—	61.9	67.1
Gasoline consumption for generators (million litres)	—	69.8	66.7
Diesel fuel consumption (million litres)	29.1	19.6	23.0
Diesel fuel consumption for management related issues (million litres)	—	7.5	6.8
Diesel fuel consumption for generators (million litres)	—	12.2	16.2
Total CO_2 emission (million tonnes)	7.94	9.02	10.63

Note: CO_2 emissions are calculated with the following emissions factors released by PRC government: electricity, 0.849; gasoline, 2.3; diesel fuel, 2.63; natural gas, 0.559; LPG, 1.49; coal, 2.66; and coal gas, 9.5.

Standardised equipment rooms

Increases space utilisation by approximately 20%; reduces construction cycle by over 3 months. Standards and construction guidance completed.

High voltage DC power supply

Increases energy conversion efficiency by over 10% compared with using traditional UPS; lab testing and field testing completed.

Air-conditioning air flow optimisation in equipment rooms

Air goes from air-conditioning to equipment cabinets through closed air ducts, reducing air-conditioning power by 45%. Applied in 471 equipment rooms.

Ethylene glycol air conditioner

Installs air-conditioning units using ethylene glycol as coolant at data centres to utilise natural outdoor cooling source in the Northern regions, and reduces air-conditioning energy consumption by 25% to 40%. A total of 378 units in use.

Outdoor sprinkler system for air-conditioning

Sprinkler system cools compressor, which can reduce air-conditioning energy consumption by 20%. A total of 2448 sets of sprinkler systems installed.

Smart air exchange technology

Smart air exchange technology using outdoor cold air for cooling, which can reduce air-conditioning energy consumption by 25% to 50%. A total of 164 sets installed in 2010.

Standardised tower construction

Shortens construction time by 2 months or more; reduces steel consumption by 40%

Standardised base station outdoor cabinet

Partitioned temperature control can result in an approximate 40% energy savings and save space. It has been applied to over 1,000 base stations nation-wide with annual energy savings of 2 GWh. Pilot projects under different climate conditions were carried out in 2010

Creating a Green Workplace

We actively promote the notion of environmental protection within the company, and mobilise our employees to create a "Green Workplace". We encourage the use of information technology solutions at the workplace, such as conference calls and video conferencing, to reduce the consumption of energy and resources. Meanwhile, we continue to explore the energy conservation potential of the air-conditioning and lighting systems at our workplace, save and recycle water and office paper, in order to fulfil our commitment to be environmentally friendly.

To encourage our employees to participate extensively in the Green Action Plan, from July to September 2010, we held the second phase of "My Green Action 199 (which means long lasting when pronounced in Chinese)" at our headquarters. This programme helped enhance employees' understanding of the Green Action Plan and enhance their awareness of environmental protection. We achieved this by collecting suggestions and e-works on environment protection, compiling and forwarding short messages and multimedia messages on environment protection, designing entertainment programmes on environment protection and making handicrafts using recycled materials. During these activities, we collected over 2,000 e-diaries, e-journals and other original works regarding environment protection, created and forwarded over 8,000 green short messages and over 3,000 multimedia messages, made over 3,000 handicrafts with recycled waste materials, and collected over 1,000 suggestions. Through these activities, the awareness and behaviour of our employees towards low-carbon and energy conservation issues were strengthened.

In 2010, through our internal office information network, we actively promoted information solutions with China Mobile's characteristics in the workplace, such as e-work and online education. We also provided our employees with green communication options such as IP phones, online collaboration tools, video conferencing, and communication assistant applications. In 2010, we had 23,600 active mobile office users, with cumulative use of 521,000 person-times, over 718,000 times of video conferences and 5.96 million person-times of online training.

◉ China Mobile Video Conferencing (no. of times)

	2008	2009	2010
China Mobile video conferencing	10,000	23,703	718,627*

* Number of video conferencing in 2010 includes video conferences held over our IP Multi-media Sub-system(IMS).

Pilot Promotion of Single-copy e-Invoices

In Jiangsu, in collaboration with Jiangsu Local Taxation Bureau, we developed the single-copy e-invoice management system, issuing invoices to customers in single copy, without the need of keeping invoice stubs and doing manual bookkeeping. Thus, we were able to save paper and storage space, and increase work efficiency. As at the end of 2010, this project was expanded, on a pilot basis, to 13 city branches in Jiangsu, saving about 300 million pieces of paper and an invoice printing cost of about 30 million yuan annually.

◎ In Shandong, our employees signed the "green office, low-carbon life" commitment

◉ China Mobile Energy Saving Measures at the Workplace

Use of reclaimed water	Reuses reclaimed water to save water. Builds water reclaiming system in office facilities to recycle rain water and waste water.
Fresh air heat recovery system	Uses heat exchange between fresh air and air in the air-conditioning system to reduce air-conditioning energy consumption. Already installed in some office buildings equipped with the necessary specifications.
Lighting system	Uses intelligent lighting control and energy saving light bulbs to reduce energy consumption. From 2008 to 2010, over 2.4 million lights were replaced, resulting in electricity savings of 48 GWh annually.

【 Driving Green Development in the Industry 】

By exerting our influence over the value chain, we are devoted to long-term in-depth cooperation with suppliers and peers in green product research, development, innovation, design and resources recycling. This relationship can create a healthy industrial environment and promote the green development in the communications industry.

Advocating Innovative Research and Development

Up to date, we have signed, along with 53 suppliers, the strategic cooperation memo of Green Action Plan to actively cooperate on an energy conservation grading standard, innovation in product research and development and design, environmental protection and recycling, and the development of environmentally friendly products.

Formulation and Implementation of Energy Conservation Standards: In 2010, we formulated various network equipment energy conservation grading standards such as the Energy Conservation Grading Standard for Core Network Equipment. With this grading standard, we can now incentivise principal equipment manufacturers to constantly improve the environmental performance of their products, starting from the product landmark to preliminary design. For our centralised equipment procurement in 2010, the energy conservation grading standard in the CM2 phase (2010-2011) was applied to evaluate the environmental performance of the equipment. We also started the energy conservation grade labelling of GSM core network and wireless network equipment and required all manufacturers to label the energy conservation grade on their equipment to improve performance.

"Green Packaging" for Communications Equipment: In 2010, we actively carried out the timber-saving pilot project for mechanical and electrical equipment launched by the Ministry of Industry and Information Technology of the PRC. The percentages of main wireless equipment for 2G and 3G networks using green packaging were over 50% and 55% respectively, which saved approximately 15,000 cubic metres of timber.

"Green Packaging" for Communications Equipment

Using demountable and sectional turnover racks to replace existing wooden packing crates meets the needs for appropriate packaging, appropriate protection and reusability. It reduces packaging weight by 22%, decreases handling time, increases the usable lifecycle by 5 to 7 times, and reduces the overall cost by 8%.

Promoting Environmentally Friendly SIM Cards: SIM card base is mainly made of non-degradable PVC materials, which cause pollution problems when discarded. In 2010, to reduce the environmental impact of SIM cards, we continued to strengthen the downsizing and recycling of SIM cards. In April, we held a fruitful meeting to share SIM downsizing best practices, focusing on unified packaging and other practical issues. In the meantime, as at the end of 2010, 31 provincial subsidiaries have started recycling SIM cards.

In Shanxi, we introduced environmentally friendly SIM cards. In the first half of 2010, we issued over 16 million paper-based SIM cards and over 37 million mini-sized SIM cards, and we recycled card bases when selling SIM cards. We authorised the use of about 10,000 remote card writing terminals, and the utilisation of the remote card writing channel reached 100%.

Green SIM Card Solutions

◎ **Environmentally friendly card base**

Uses paper and non-toxic materials such as ABS as card base that are more environmentally friendly; reduces energy consumption by 70%.

◎ **Mini-sized SIM card**

Puts 2 SIM cards on the same card base; reduces material use by 50%; reduces paint by 70%.

◎ **SIM card recycle and reuse**

Card base is recovered after SIM card is sold for recycle or reuse.

◎ **Remote data updating of the SIM card**

Increases the efficiency in SIM cards and number usage with over-the-air recharging and data updating, and the reuse of SIM cards.

● Application of China Mobile Green SIM Cards

	2008	2009	2010
Number of mini-sized SIM cards used (million)	11	33	520
Number of SIM cards reused (million)	0.31	0.44	0.67

Innovating the "Green Boxes" Environmental Protection Campaign: In 2010, we continued to promote the "Green Boxes" Environmental Protection Campaign nation-wide, encouraging people to conserve resources and protect the environment by recycling unwanted mobile phones and accessories. In 2010, we recycled 1.43 million pieces of unwanted mobile phones, batteries and other accessories, with a cumulative total of 6.74 million pieces.

"Green Boxes" Environmental Protection Campaign

In 2005, jointly with our partners, we initiated the "Green Boxes Environmental Protection Campaign" as a long-term environmental protection campaign. The campaign is now in its sixth year. With the green recycle bins we set up at our retail centers as well as the business areas of our partners, discarded mobile phones and accessories can be recycled or reused after being treated by companies that specialised in electronic waste disposal.

Advocating Green Development

In 2010, we published a book named the *Green Action Plan: System Science and China Mobile's Practice in Energy Conservation and Emissions Reduction*, summarising our thinking and innovative approaches towards energy conservation and emissions reduction. At the same time, we actively sponsored organisations and major programmes related to energy conservation and emissions reduction, and explored options to improve the overall energy efficiency of the communications industry by research and development cooperation and experience sharing.

Green Touch: In January 2010, jointly with 18 research institutions, operators and equipment manufacturers including Bell Lab, we established Green Touch, an organisation dedicated to improving the energy efficiency of communications networks through technical innovation. So far, it is the biggest green cooperative organisation in the communications industry in the world. In November 2010, we were invited to attend the conference held by Green Touch in Amsterdam to discuss and share our practice and experience of energy conservation and emissions reduction in the communications industry.

GSMA Energy Efficiency Programme: By collecting the overall operation data, the energy efficiency programme under GSM Association (GSMA) helps different operators analyse their peers' data and thus identify the potential to improve energy efficiency. In July 2010, we joined the GSMA Energy Efficiency Programme and began participating in its evaluation system.

First Session of the Energy Conservation and Emissions Reduction Conference of the Communications Industry in China: In May 2010, to further promote energy conservation and emissions reduction in the communications industry, China Association of Communication Enterprises (CSCE) held the first session of "Energy Conservation and Emissions Reduction

Conference of Telecommunications Industry in China" in Beijing. As the chairperson on duty for the conference, we published a research report by World Wildlife Fund (WWF): *Low Carbon Telecommunications Solutions in China: Current Reductions and Future Potential* in which our Company was used in the case study.

"Green Action Plan" Industrial Cooperation Forum: in November 2010, we held the "Green Action Plan" Industrial Cooperation Forum in Shenzhen, inviting all parties in our industry chain to participate in a discussion on energy conservation and emissions reduction technology in the communications industry and joint promotion of industrial cooperation. Participants also expressed their continued support for the "Green Action Plan".

Innovating on "Green Boxes"

In Sichuan, we initiated the innovation and improvement of "Green Boxes" starting in 2008. Bar-code scanning, database technology and human-machine interaction are used for intelligent identification, sorting and recycling of discarded items. In 2010, the campaign was expanded throughout the province by installing the device in 110 residential communities and on university campuses. Over 80,000 discarded mobile phones and batteries can be recycled through this device.

Features of the "All-in-One Sorting & Recycle Bins":

◎ Recycle bin body is designed with special openings to receive batteries and cigarette butts respectively, and automatically identify items received;

◎ When a recyclable item is deposited into the bin, the device information matching function will identify its category by its packaging and automatically display the refund value. The recharging system will then add this amount to the account of the cell phone number input remotely; and

◎ Once filled up, the recycle bin will automatically send a short message to the mobile phone of the maintenance staff for timely disposal of the collected items.

◎ An innovative "Green Box"

【 Promoting Environmental Protection with Informatisation 】

As low-carbon ICT applications such as e-reading, remote office, and intelligent transportation grow in popularity, the role of ICT in promoting the overall energy conservation and emissions reduction efforts is becoming increasingly prominent. In May 2010, in its report, *Low Carbon Telecommunications Solutions in China: Current Reductions and Future Potential*, WWF estimates that in 2009, by providing society with low-carbon ICT solutions, China Mobile contributed to the CO_2 emissions reduction of 58.20 million tons – 6.5 times of our total emissions. By continuing to develop on ICT information applications for individuals and industries, we are actively exploring new models for consumption and living that are low-carbon and environmentally friendly. This in turn stimulates greener economic development.

Information Applications for Individuals

As we provide our customers with convenient information applications, we also find ways to enable our customers to reduce their own environmental footprint. On the one hand, we improved our e-channels; on the other hand, we actively promoted innovative "green" consumption models such as mobile reading.
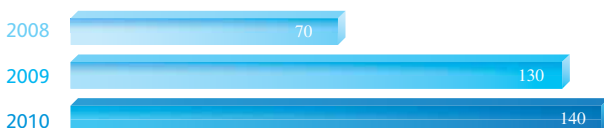
Promoting e-Service: We made great efforts in developing our electronic channels in recent years and have developed a complete electronic channels system that consists of websites, hotlines, SMS platforms, WAP platforms, self-service terminals, etc. Additionally, we launched a number of unique service features such as online payment, online number selection and online customer service. In 2010, we introduced many new e-service options that bring greater convenience to customers, such as the fuzzy query function for keywords in Chinese at our website, a unified web portal at www.10086.cn, and a centralised nation-wide cell phone service centre. As of December 2010, the service volume of our electronic service channels (excluding e-recharging and inquiries) increased by 26% and reached 440 million transactions. Our electronic service channels not only bring great convenience to customers, but also lower the energy consumption associated with their reduced traffic.

Promoting e-Billing: We actively encourage customers to use our 139 Mailbox service to receive e-bills from telecommunications companies and financial institutions as an innovative way to reduce paper use and carbon emissions. In 2010, we made e-billing with 139 Mailbox the standard service setting for our GoTone, which has significantly increased the popularity of e-billing.

Innovating on Mobile Reading: We were the first telecommunications operator in China to offer mobile reading services. We established our Mobile Reading Base that follows the principles of "nation-wide service, single access point, centralised operation and nation-wide sales". By developing paperless publishing, we helped reduce printing, shipping, storage and sales associated with the publishing process, resulting in a huge reduction in both publishing costs and the industry's environmental footprint. In order to achieve this success, we developed close cooperation with prominent publishing houses and large e-reading websites. There are currently both traditional titles and originally created works published on our Mobile Reading Platform.

◎ In Gansu, we gave customers a demonstration of our mobile reading service

▶ Percentage of Services Conducted through e-Channels (%)

2008	43
2009	48
2010	44*

* Since 2010, this indicator is calculated based on all channels (e-channels, our proprietary sales outlets, and cooperative channels) instead of our own channels (e-channels and our proprietary sales outlets) used previously

▶ Total Value of Mobile Phone e-Recharging Services (billion yuan)

2008	70
2009	130
2010	140

Reduces paper use	Reduces energy consumption for printing
Zero Paper Use	**Zero Printing**
Zero Shipping	**Zero Inventory**
Reduces energy consumption for shipping	Reduces energy consumption at storage facilities

◎ Energy Conservation and Emissions Reduction Effect of Mobile Reading

◎ In Hebei, we installed a waste water measurement monitoring equipment for a steel company

◎ In Shanghai, our China Mobile Campus "Green Boxes" Community Environmental Protection Action officially became a showcase at the Public Participation Pavilion of the Shanghai Expo

Information Applications for the Industries

We actively develop low-carbon information applications such as Vehicle Information Service and Logistics Link to help reduce carbon emissions of relevant industries. We also develop innovative information applications specifically designed for environmental protection. These help provide technical solutions to enforce stricter pollution monitoring and environmental management.

In Fujian, we successfully installed an intelligent bus dispatching system in 2010 in cooperation with Xiamen Public Transportation Group. Covering the 3,000 buses in Xiamen, the system helps the dispatching department optimise and adjust bus routes to provide local residents with a better experience on "low-carbon transportation". The 3,000 buses in Xiamen can hold a total of 500,000 commuters per day. With the newly installed intelligent system, a reduction of 4.9 tonnes of carbon emission per kilometre per day can be realised compared with driving private cars.

In Hebei, we cooperated with Hebei Provincial Expressway Administration and built the Road Conditions Information Platform. The platform was officially put into use on 17 June 2010, and by releasing real-time traffic information, traffic jams and accidents have been greatly reduced. 5 months after the launch of the platform, even though one-way traffic flow had increased by 13%, the system helped reduce accident rates triggered by traffic jams by 31.25%, reduce expressway traffic jams which were over one hour by 13.95%, generating a significant reduction in fuel consumption and total emissions.

In Hubei, we worked with retailers to promote e-coupons. We have successfully expanded this service to many large-scale provincial chain retailers as well as over 200 chain retailers at the city level. Customers can pay their bills at 4,000 plus POS machines so as to avoid wasting physical coupons and contribute to energy and resources conservation. In 2010, a total of 483,600 e-coupons were used, saving the equivalent amount of paper coupons.

In Jiangxi, we established the Poyang Lake Ecological Monitoring System. Using mobile GPRS network technology, the system wirelessly monitors the hydrology, water quality and meteorological conditions of the Poyang Lake in real time at 879 monitoring spots. In addition, we also installed 1,500 data collection points in major reservoirs and rivers in rural areas, which allowed the collection of hydrological information to be completed in 2 minutes.

Public Participation in Environmental Protection

We eagerly participate in and support various environmental protection activities, and work towards raising public awareness on environmental protection.

In Fujian, during World Wetlands Day, we organised youth volunteers to participate in an environmental protection programme focusing on the protection of local wetlands. Our volunteers followed environmental activists and experts to wetland on Lujia Island in Minhou county to experience, observe and learn. This experience raised their awareness of ecological protection and gave them greater motivation to encourage those around them to care for the environment.

In Xinjiang, we established the "Environmental Protection Pioneers" group and started the "China Mobile Urban Low-Carbon Action" to raise city residents' awareness of the low-carbon life. This included activities such as a DIY fashion show using old clothes, knowledge quizzes, SMS interaction, etc.

In Xizang, we worked together with relevant organisations and agencies and co-sponsored a wetland conservation programme named "Plateau Green Hope Project". 500,000 yuan was raised to fund the work of opening drains, setting up boundary marker and raising public awareness of wetland protection.

In 2011, we will continue to promote "Green Action Plan" with a systematic and scientific approach. We will improve our energy management, actively introduce network equipment that is more energy efficient, and constantly optimise and upgrade network structure. We will increase the use of natural cold source and green energy in order to optimise the cooling process and energy use. We will also actively promote new energy saving technology, products and technologies to increase overall system energy efficiency. In addition, we will work closely with suppliers and customers on energy saving innovations along the industry chain and actively contribute to building a low-carbon and environmentally friendly society with abundant low-carbon information applications.

⭕ MOVING TOWARDS AN INFORMATION SOCIETY

According to statistics of the Ministry of Industry and Information Technology of the PRC, as at the end of 2010, the number of mobile phone users in Mainland China had reached 859 million. The impact and changes that mobile phones bring to people's lives are becoming increasingly prominent. We established a new corporate vision of "Mobile Changes Life" in 2010, and took it as guidance for continuous innovation. We are committed to making people's lives more convenient by providing solutions to sustainability issues with increasingly customised mobile communications technology and information services.

Throughout 2010, we promoted the development of the Internet of Things and the "Wireless City". While building the carrier network, we developed the "Wireless City" information application for public sectors, businesses and individuals. As the fifth urban infrastructure after "water, electricity, gas, and transportation", "Wireless City" has become a key component in urban areas. As at the end of 2010, we had built "Wireless City" in 14 provinces and 77 cities. This greatly supported the development of these regions.

◎ We provided public sectors with various information applications including wireless web portal, mobile office, Police Information Solutions, Municipal Information Service, Environment Information Solutions and Industry and Commerce Information Solutions, along with additional information services;

◎ With regard to businesses, we actively promoted applications for finance, tourism, trade service, medical and healthcare, education, and public utility. These applications accelerated the informatisation process of the target industries and achieved the integration of informatisation and industrialisation of different industries; and

◎ With regard to individuals, we made a collective showcase of applications including mobile TV, multimedia services, mobile comics, wireless music, weather forecast, and cultural entertainment. These services give people greater, more convenient access to information.

We actively explored the beneficial applications of Mobile Internet and the Internet of Things in 2010 and made different attempts in areas such as enhancing healthcare, ensuring campus safety, and creating a more convenient life for people.

【 Informatisation of Healthcare 】

As the key component of the healthcare reform in China, mobile health is becoming an important way to raise public health awareness, enhance disease control, increase medical system efficiency, and relieve problems due to limited medical resources. Given our advantages in network and technology, we are building a health platform designed for mobile communications integrated with medical resources to promote health management as well as interaction between doctors and patients.

Information Solutions for Hospitals

We have developed information solutions for hospitals and integrated various information applications to build a convenient and easy communication channel between hospitals and the public, between doctors and their patients, and among doctors.

In Tianjin, from 2009 onwards, we cooperated with Teda International Cardiovascular Hospital to build an application platform for medical service providers - Doctor-Patient Information Solutions. This platform integrates call center, video visiting, mobile diagnosis room, and other functionalities for hospitals, doctors and patients using voice message, SMS, Internet, and video. This technology has proven to be a useful way for efficient hospital management and information exchange between doctors and patients. Doctor-Patient Information Solutions has already been used by 45 hospitals nation-wide. The video visiting system is used for over 1,500 times per month on average, and the mobile diagnosis room is used by over 300 doctors.

In Jiangsu, we jointly developed the Medical Information Service platform with Wuxi Chinese Medicine Hospital to enable 3-party interactive communications among the hospital, doctors and patients by integrating the hospital's information system with a communications system. As at the end of 2010, the total number of registered customers had exceeded 100,000 and the number of users averaged over 5,000 monthly.

With the 12580 Customer Service Platform, we also provided mobile medical service to individuals such as doctor appointment reservation, which helps deal with the difficulty in making reservation and long waiting time due to lack of medical resources.

In Guangdong, we built the 12580 mobile health service platform and provided doctor appointment service, a health information navigator, hospital information inquiry, and mobile health magazines for individual and family customers. Customers can pay with their mobile handsets when they make appointment through 12580. Then they can use the 2D barcode sent to their phones to print out their appointment sheet at self-service terminals in the hospital before they attend the appointment. This greatly reduces time spent queuing for making appointment and payment - especially for people in rural areas. So far, 93 hospitals in 9 cities had already been covered by the platform, and it had successfully served over 4.5 million customers.

In Neimenggu, we offered the 12580 health navigator service that provides inquiry services for medical information and mobile services for medical institutions. In particular, the database now includes the information of 646 hospitals, 2,005 doctors, 5,272 drugs and 32 common diseases. Mobile service of medical institutions provides 3 functions: mobile doctor appointment reservation, medical examination result delivery, and expert hotlines. From January to August 2010, 55,752 inquiries and 17,006 doctor appointments were made, among which the rate of unfulfilled appointment is low.

Other Medical Information Solutions

Information Solutions for Medicines: We actively developed intelligent medicine supervision application with radio frequency identification (RFID) and 2-dimensional barcode technology to monitor medicine production and distribution. Additionally, we developed Medicine Information Service, a mobile information service platform that aims to ensure the safe and proper use of medicine. We regularly posted information on medicine, health tips, healthy food, policy trends, and notices on major medicine-related problems.

Health Emergency Information System: To reduce the impact of public health emergencies and major disasters, we developed a health emergency information system in order to identify, report on and stay informed of health crisis in time to protect public health and safety. By combining technologies such as phone positioning and GIS positioning, our health emergency information system can give unified commands in response to emergencies, and document and file the progress.

Community Health Information Platform: By integrating various health documentation including medical records, diseases control data, children's healthcare data, women's healthcare data and disease management data, we established a Community Health Information Platform. We can use this information to provide comprehensive health care management and disease control information to local communities.

◎ In Guangdong, we set up dedicated service desks for the 12580 doctor appointment service

Innovative Information Solutions

◎ In Shanxi, since 2008, we have developed a remote mobile medical care project. As at the end of 2010, we had built 3 township-level remote diagnosis centres, one county-level remote diagnosis centre and one provincial-level remote diagnosis centre, achieving a 3-tier remote diagnosis function among hospitals at the provincial, county and township level in 3 townships.

◎ In Shanghai, in order to improve the response efficiency of ambulances, we cooperated with the 120 Medical Emergency Centre and established the Instant Positioning System for Medical Emergency Calls Made with Mobile Phones. This system can locate the position of a mobile phone user who has called for help in 5 seconds, and relay the information to the 120 emergency system. During the first 3 days of the trial, a total of 5,574 positioning services were conducted.

◎ In Guangdong, we cooperated with the Provincial Food and Drug Administration on the first national mobile information service platform for "medicine safety and reasonable use". The public receives 3 to 5 pieces of information on reasonable use of medicine and expert consultation every week via mobile phone. As at the end of 2010, the system had been used for 1.7 million person-times and the cumulative consultations with medical experts reached 290,000 times. Active users reached 330,000 per month on average.

◎ In Hebei, we designed the Disease Control Information System on office management and disease control in conjunction with Shijiazhuang Centre for Disease Control and Prevention. This system assisted the creation of a comprehensive information solution for vaccination management in Shijiazhuang. This system currently covers all maternity hospitals and 90% of outpatient services in Shijiazhuang.

◎ In Guangxi, we set up an electronic health records management platform, and established point-to-point connections between 130 community health and medical service centers in Nanning. This platform helps public health agency monitor local health conditions and conduct disease control and prevention, protecting the health of 2.6 million residents.

New Rural Cooperative Medical System (NRCMS): Towards a Healthy "New Countryside"

In 2009, we signed a strategic cooperation agreement with Guizhou Health Bureau to jointly build and promote a new rural cooperative medical information management system. This system was used to solve the imbalance of development, lack of data sharing, lack of maintenance support, and ineffective management that has bothered NRCMS for years. This system now covers 48 counties, 579 townships and 3,095 medical institutions in Guizhou, and 20 million farmers in the province participating in NRCMS can enjoy instant reimbursement and subsidy service.

During the project, we built a 5-tier (at the provincial, regional, county, township, and village levels) seamless business network platform with a centralised data center. It had ten functions including subscription management, financial management, local direct subsidy, cross-region direct subsidy, decision analysis, etc.

For farmers: This system is the only medical information project that developed a 5-tier network in China. With instant reimbursement, simplified reimbursement process, instant settlement, and direction deduction, farmers now can enjoy a healthcare system which allows them to "treat minor illness without leaving their village and treat severe illness without leaving their county". This system also offers cross-regional direct subsidy and cross-provincial reimbursement for participating farmers. NRCMS simplifies the process for farmers to consult doctors in different regions, reduces their waiting time for reimbursement, and eliminates the need for cross-regional reimbursement.

For government: By monitoring fund use and the reimbursement process, government administrators can ensure transparency, effectively prevent improper prescriptions and reimbursement, and ensure the subsidies are properly used.

For hospitals: The system provides an integrated data platform that is used and shared throughout the province to increase the efficiency of the medical system. For example, account management for outpatient service used to take 7 to 10 days to complete. Now it only takes half an hour to complete with NRCMS.
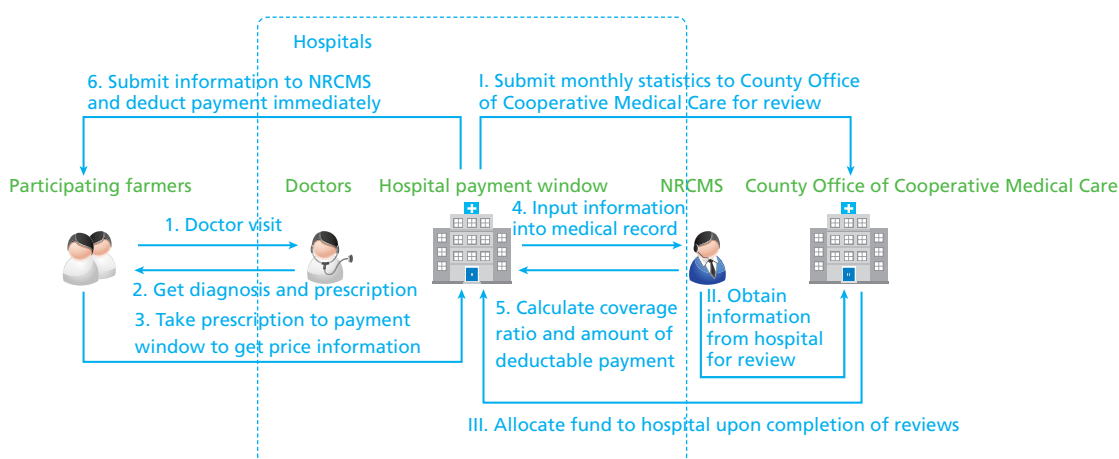
This innovative NRCMS model featuring "mobile service + health care" and "renting instead of building" received many recognitions and was referred to as the "Guizhou model" by Dr. Margaret Chan, Director-General of the World Health Organisation. We will continue to expand the application of the NRCMS model to areas such as promoting special care and subsidies, health care record management, emergency commands and disease control, making new contributions to the development of a "healthy New Countryside".

The New Rural Cooperative Medical System

The New Rural Cooperative Medical System (NRCMS) is a cooperative comprehensive arrangement for farmers with serious disease that is organised, guided and supported by government, voluntarily taken part in by farmers, and financially supported by individual payment, collective support and government subsidy. NRCMS helps farmers overcome the high cost of medical care and avoid poverty created by severe illness and is well received among farmers.

We have only just begun our efforts in mobile health. Looking forward, we will continue to develop and enrich our current applications for mobile health, cooperate with the health management department to advance mobile health, explore various cooperation models, and explore solutions to effectively alleviate medical resource shortages and information asymmetry between doctors and patients. Furthermore, we are devoted to improving medical care and health system efficiency, as well as disseminating health care and disease-control knowledge. We will actively participate in the transformation of overall medical care for society.

● Flow Chart of Guizhou NRCMS Information Management System

Hospitals

6. Submit information to NRCMS and deduct payment immediately

I. Submit monthly statistics to County Office of Cooperative Medical Care for review

Participating farmers   Doctors   Hospital payment window   NRCMS   County Office of Cooperative Medical Care

1. Doctor visit

4. Input information into medical record

2. Get diagnosis and prescription

3. Take prescription to payment window to get price information

5. Calculate coverage ratio and amount of deductable payment

II. Obtain information from hospital for review

III. Allocate fund to hospital upon completion of reviews

【 Informatisation of Education 】

In order to further promote communications among schools, parents and students, help schools improve their information management capability, efficiently inform parents of the children's performance at school, and help students enjoy a safe learning environment and healthy childhood, we have created the Campus Information Service for schools to address the issues of communications between parents and schools, campus safety, and digital education.

Promoting Parent-School Interaction

With the consent of the parents, we arrange to send student performance reports to their parents regularly and in a timely manner through SMS, telephone calls and the Internet. This not only helps parents understand their children's academic performance, but also connects academic education with family and social education. By the end of 2010, our Campus Information Service served 89,020 schools of different types, including 63.73% of urban primary and middle schools, 19.53% of urban kindergartens, nearly 1.3 million teachers, and nearly 45 million parents in Mainland China.

Building "Safe Schools"

School safety is a key element for social stability. We are actively promoting the construction of "safe school" by card-reading identification at the entrances of schools, student positioning by special mobile phones, SMS to parents on the students' safe arrival at school and instant SMS information on emergency. Previously, similar technology played an important role during epidemics, natural disasters such as snowstorms and typhoons, and school safety incidents. As at the end of 2010, instant SMS service already covered 80,000 schools in Mainland China, and nearly 20,000 card-reading information terminals had been installed and nearly 1,000 schools had installed video security surveillance devices.

◎ In Gansu, primary school students signed in on our Campus Information Service while the system sent an SMS message to inform their parents of their safe arrival

In Zhejiang, we conducted an additional "safe school" information base project. We built "safe school" information pilot bases on 31 campuses of 24 schools and kindergartens. Through these bases, we provided effective technology support to address the key issues of ensuring school safety including education-related safety alert, accident prevention, accident investigation, safety data management, and emergency response.

Building "Digital Schools"

Through mobile communications and an Internet platform, we actively support the construction of "digital school" to provide schools with easy-to-use and cost efficient digital school applications, together with standardised service support. In addition, since some base stations are located in villages in remote areas, we also fulfil the Internet connection needs for some village schools.

In Guangdong, we used the Internet as a tool to reduce the educational disparity between urban and rural areas. We supported the Education Bureau in connecting 2,000 schools with Internet and promoted the balanced development of education within the province.

In Xinjiang, we provided major applications including office automation, intelligent course scheduling and score management to schools. So far, more than 200 schools in Urumqi have adopted these applications.

In Hunan, we took "communication" as the key point. We provided new, comprehensive, instantaneous and efficient communication methods to teachers and students by voice message, SMS, email and WAP services. We also solved the problems of high cost and information delays between management and teachers; as well as between teachers and students.

Looking forward, we take "Building a Grand Education Platform, Innovating Education Development and Promoting a Balanced Education" as the development direction of information solutions for education. This entails continuously optimising and upgrading information applications in the Campus Information Solutions, building an open education Internet platform, fully integrating excellent resources of upstream and downstream along the education supply chain, and providing a comprehensive and safe platform for stakeholders in education to communicate, share and exchange information.

【 Informatisation of Daily Lives 】

In 2010, we continued to expand our mobile information services to improve people's lives and strived to provide a safer, more convenient, and more effective mobile life experience.

Creating a Convenient Living

We work closely with government sectors and social service providers to leverage our technology advantages to improve people's lives.

In Jiangsu, we worked hard to promote an "intelligent life" using the Internet of Things technology. With regard to water supply, we helped education administers monitor data by adding Internet of Things sensor devices at key points. With regard to the supply of electricity, we built electricity data collection and operation management system platform and added Internet of Things sensor devices at key monitoring points. With regard to gas supply, we realised remote sensor delivery of various property data including gas flow, air pressure and temperature, to prevent gas leak, over-pressure and other potential risks.

In Henan, we actively explored innovative information solutions for large communities. We successfully built a property management platform for large communities and achieved convenient release of information including water and electricity fees, property management fees, and community notices for more than 50,000 people in 26 communities. In addition, we cooperated with Luoyang Bureau of Labour and Social Security to establish the Luoyang 12580 home service call center, which provides one-stop services for those seeking the services of babysitters, cleaners, home tutors and couriers.

In Hunan, we established the 12366 tax service hotline in partnership with the provincial Bureau of State Taxation. Tax payers can check tax laws, file complaints, and offer suggestions in real time. This service, to the greatest extent, provides authoritative, accurate and timely information to tax payers.

In Hainan, we conducted several pilot projects such as the international tourism island mobile payment and e-tickets. We also developed a proposal to build an e-ticket platform with 3 function modules, which can be used in selling, transfer and verification of tour or movie tickets, membership management and identification verification.

Building Safe Communities

China Mobile is also active in building safe communities through mobile communications technologies.

In Jiangsu, we developed the mobile Care Information Solutions monitoring system in cooperation with Nanjing Police Department. Police can locate lost or missing individuals using this system, which is helpful when searching for lost children and elderly individuals. Additionally, the system can transmit on-the-spot voice without alerting criminals, and thus help police in their rescues. Furthermore, we worked with government agencies to develop the information service products — City Guard and Safety Information Solutions. These products improve real-time monitoring of public security and the traffic situation at 63 key monitoring locations, toll gates and communities in Tongshan district of Xuzhou city.

In Xizang, we established the 1211006 SMS Police Help Platform that facilitates the deaf and the mute to call the police.

◎ In Gansu, our real-time bus information system brought convenience to passengers

◎ In Hebei, we deployed community terminals for the residents to have a convenient access to community services

Ensuring Food Safety

To help address the increasingly serious food safety issues, we created the "animal traceability" and "food traceability" applications in 2010. Together, these effectively traced the different cycles of food production. This way, we help prevent unqualified food from entering the market and protect consumers' safety.

In Anhui, we cooperated with the provincial Commission of Rural Affairs to conduct an animal traceability project. By label coding, label imprinting, identification, data entry and transmission, and data analysis and inquiry, we monitored all procedures from the birth of animals to epidemic prevention, transportation, slaughter and consumption. This process not only makes data collection more effective but also makes data analysis more comprehensive and convenient.

In Hainan, partnering with the provincial Agricultural Department and Xinhua News Agency Hainan Branch, we set up a quality safety monitoring system for winter fruits and vegetables. This system solved "last kilometre" challenges of customer information connection, and addressed the product safety issues of agricultural production regarding residues of pesticides and fertilisers. The system monitors the quality of farm products in the province from the field–rural information assistants of the Agricultural Department can gather real-time information of agricultural production with customised wireless intelligent handheld terminals, while consumers and quality inspection officers use the public service platform to trace the products sold on market.

In Shaanxi, we created a food safety inspection system with the Industry and Commerce Bureau. Law enforcement officials can directly check recorded data from bar codes, product name and specifications for food products using mobile terminals. This efficiently improves food safety inspection efforts.

Building an Employment Platform

Employment is one of the most imminent problems in our society. In recent years, unmatched job information has been one of the 3 major barriers to more efficient employment. To relieve social pressure on employment, we built the Employment Information Solutions platform. Job seekers can obtain abundant job information through 12580, 12582, SMS, MMS, Internet, WAP, and a mobile terminal, offering a convenient, efficient, low cost and reliable job-seeking tool.

In 2010, we started the Employment Information Solutions pilot project in Jiangsu, Guangdong, Zhejiang, Hunan, Fujian and Gansu. As at the end of 2010, the total number of people that had used the 12580 Employment Information Solutions reached 5 million.

Providing Information Solutions to Promote Employment Growth

In Jiangsu, we cooperated with the provincial Bureau of Human Resources and Social Security to create the Employment Information Solutions information service platform. This platform created new models of "information seeks people" with optimised job matching, thus provided effective and convenient employment information service to job seekers.

◎ **Credible and Reliable Information.** A strict "automatic plus manual" verification process is established under the Employment Information Solutions platform. First, it filters key words and then conducts regular manual examination. Companies that release false information will be blacklisted.

◎ **Comprehensive and Convenient Services.** Job seekers can register, input and search information through different channels such as mobile terminals and the Internet. Companies can upload information through the Internet, dedicated data line, or their account managers following standardised templates and rules to ensure the completeness of job information.

◎ **Accurate and Efficient Auto-matching.** The completed platform can provide services to 10 million job seekers, hold 10 million job postings and send 7 million pieces of matching information each day.

As at the end of 2010, the platform has sent 15 million SMS on employment policies and 3 million SMS on information on job fairs to registered customers. The number of updates on jobs averaged 5,000 pieces per day. The number of matched job seekers exceeded 390,000 and the matching rate between customers and recruiting companies reached 78.26%.

> " I spent days at job fairs without any positive result. Then a classmate recommended the Employment Information Solutions to me. I registered and input my job preference. I started receiving job postings that matched my preference the very next day, some of which are perfect fits for my expertise. After contacting several potential employers, I got the opportunity for face-to-face interviews. Now I have already signed an agreement with a company and I am expecting to start my new job in two days! "
>
> –Ms. Lin, Job seeker, Jiangsu province

Looking forward, we will further provide abundant and comprehensive community information applications in an effort to meet the various information needs of people's daily lives. Our goal is to improve community management efficiency and service level to ultimately create a more convenient life for each individual.

SUPPORTING THE COMMUNITY

Chinese society is facing many profound changes, including rapid economic growth, industrialisation, urbanisation, and globalisation. As a result, our society is undergoing significant structural changes that challenge the way our society functions, such as how we manage our traditional society, and how wealth is distributed. Faced with an increasingly aging population, growing income disparity, and frequent occurrences of major disasters, charity is playing an increasingly important role in helping us ensure social stability and harmonious development in China. Bearing in mind our responsibility to society and charitable causes, we founded the China Mobile Charity Foundation in 2009 to fulfil our long-term commitment to society. In 2010, we further enhanced the governance and transparency of the Foundation, and continued to strengthen our efforts in supporting education and community development, and caring for disadvantaged groups. As a good corporate citizen, we used our unique platforms to advocate for volunteerism, allowing our employees and the public to participate in advancing charitable causes and give back to society.

【 Enhancing Management of Our Charity Foundation 】

The core principles of the China Mobile Charity Foundation are: "sincerity, concentration, harmony, and sharing". Our goal is to make the Foundation continue to be a highly efficient platform that coordinates our charity resources and philanthropic programmes.

In 2010, we focused on enhancing the leadership ability and organisational structure of the Foundation. A number of regulations and rules were developed for the Foundation, including *Council Meeting Procedures, Regulations on Charity Programme Management*, and *Regulations on Financial Management*. In addition, we launched the Foundation's website in 2010 in order to enhance information disclosure, facilitate public supervision, and strengthen communications with our stakeholders.

In 2010, the Foundation donated a total of 20.20 million yuan to support charitable causes. Major donations include: 12 million yuan to our China Mobile Education Support Programme, 3 million yuan to areas in the southwest affected by drought, 2 million yuan for the Yushu earthquake in Qinghai province, 3 million yuan to the Zhouqu mudslide in Gansu province, and 200,000 yuan to the snow storms in Xinjiang. These donations strongly supported our charitable endeavors.

◎ In Hebei, two students browsed through book collections in a library donated by China Mobile

【 Supporting Education 】

Supporting education has been a key charitable cause for China Mobile. In 2009, we consolidated our education-related charity programmes under the theme of "China Mobile Blue Dream Education Charity Plan". This programme focuses on the strategic areas of education infrastructure, training for educators, and supporting students in need. We streamlined our programmes, consolidated resources, and continued to play an active role in fulfilling our commitment of supporting education.

In 2010, we continued to implement our programmes under the China Mobile Education Charity Plan and funded a number of education-related programmes, such as building libraries and multimedia classrooms, training principals from western regions, and establishing work-study centers.

Developing the Education Infrastructure

Lack of infrastructure is a big impediment to the development of education in remote and poor areas. We have been actively supporting the efforts to improve education infrastructure in central and western China by focusing on the China Mobile Library programme.

Between 2006 and 2008, through the China Mobile Library programme, we assisted our parent company in building 1,000 libraries in 23 provinces in central and western China, which included a donation of 2.317 million books. With the newly founded China Mobile Charity Foundation, we streamlined our programmes and planned to donate 20 million yuan between 2009 and 2011 for the building of 500 libraries and 500 multimedia classrooms in central and western China.

In 2010, we built 175 "China Mobile Libraries" and 175 "China Mobile Multimedia Classrooms" in poverty areas in central and western China. In addition, we organised a student essay contest among the 1,350 schools where we had built libraries. Some of the selected 211 outstanding essays were included in the publication titled *Happy Reading with Love*.

In Guangxi, our "Mobile Library" programme helped students in mountain areas fulfil their dreams of reading. The programme was carried out at 6 primary schools. The programme also made students "little librarians" to help them develop the sense of responsibility. Books will be circulated and exchanged among libraries to allow sharing and better use of resources.

Training for Educators

The quality of education is closely tied to the quality of the educators. With the Principal Training Programme, we organised trainings and exchange programmes to help improve education equality in central and western China.

Between 2006 and 2008, we helped our parent company conduct the Western China Principal Training Programme and provided training for 3,600 principals from rural primary and middle schools in 12 western provinces in China. The China Mobile Charity Foundation plans to donate another 15 million yuan between 2009 and 2011 to train another 33,000 principals from western China.

In 2010, we achieved the annual goal of training 1,000 primary and middle schools principals from western China with our "Shadow Training" programme and 10,000 primary and middle schools principals from central and western China through remote training.

Supporting Students in Need

Through point-to-point sponsoring and setting up work-study programmes, we provide financial aids and work-study opportunities for students in need to help them overcome difficulties and finish their study.

In Henan, we had supported the education charity relay programme for 5 years in a row. In 2010, we sponsored 100 newly matriculated university students under the theme of "Love Relay, Love for New Henan". We also gave internship opportunities and encouraged students to take part-time jobs. By the end of 2010, we had donated more than 3 million yuan and sponsored 400 university students, 200 teachers, and 1,600 rural children who were in financial needs.

In Guangdong, since 2008 we have been working with Guangdong Youth Development Foundation to host charity events for the Project Hope education programme. The annual events – Touching Guangdong (2008), I Love Guangdong (2009), Innovative Guangdong (2010) – raised over 10 million yuan and sponsored nearly 7,000 students in need.

Enriching Campus Culture

As we continued to implement the China Mobile Blue Dream Education Charity Programme, we also worked hard to enrich the campus culture and provide a cultural environment for young people to grow up healthily.

In Shanghai, we partnered with Shanghai Symphony Orchestra and established the Music Workshop programme as the first interactive classroom on symphonies in China. Participating students could not only experience live music performance but also gain in-depth understanding of music pieces from classical music masters.

◎ In Neimenggu, we established a Youth Employment and Entrepreneurship Base

"Care 100" Education Charity Programme

In Shaanxi, we launched the "Care 100" programme every year from 2006. We donated 800,000 yuan and established the "Care 100" Scholarship for students in need. Every year we sponsored 500 newly matriculated university students and offered 1,000 work-study opportunities for all university students. We also encouraged the participation of employees, customers, business partners and society in helping the students and provided an SMS platform for people to make donations.

With 5 years of experience, we developed a long-term mechanism for sponsoring education and a "4-in-1" fundraising mechanism for soliciting donations from companies, employees, social organisations and customers. We also adopted closed-loop management regarding our charity activities, such as donation, application, approval, public notification and fund distribution.

As at the end of 2010, about 150,000 China Mobile customers had used our SMS donation platform and donated about 1 million yuan cumulatively, sponsored 2,500 newly matriculated university students in need, provided over 6,000 work-study opportunities for all university students, and gave out over 18 million yuan as scholarship and financial aid.

【 Facilitating Community Development 】

We seek to grow together harmoniously with the community where we operate. We actively participate in poverty alleviation, care for the welfare needs of disadvantaged groups, explore innovative ways to create employment opportunities with our new business models, and contribute to the development of harmonious society.

Poverty Alleviation

In 2010, we assisted our parent company to support poverty areas by providing financial aid, technical assistance, and management support. At the same time, we actively supported the development of information technology in poverty areas, promoting poverty alleviation through information solutions.

In Xizang, our parent company continued the poverty alleviation work in Gerze county, Ali prefecture. As at the end of December 2010, our parent company had sent 11 employee volunteers to the area in 6 groups, provided 108.69 million yuan as financial support, and carried out over 80 development programmes focusing on the building of infrastructure, education, health care, housing, energy, and ecological protection, which play an important role in helping develop the local economy and improve the living standards of the local community.

In Heilongjiang, our parent company continued the poverty alleviation programmes in Tangyuan county and Huanan county. As at the end of December 2010, 7 poverty alleviation volunteers from our parent company had been sent to the region and 42.20 million yuan had been invested by our parent company to improve local education, health care, transportation, water supply, and other infrastructure projects. We extended our support to the construction of local telecommunications network, built one disaster-resistant super-base station for each county, and improved the network coverage and network capacity in remote areas.

Exploring New Development Models: Poverty Alleviation with Information

In Guangdong, we actively responded to local government's poverty alleviation initiatives and explored a new poverty alleviation and development model that focused on information, mindset, and ideas. Using our development model, we helped local people develop in 2 steps: "first poverty alleviation, then economic development". Our work benefited about 5,000 households in 100 poverty areas in the province.

Regarding poverty alleviation, we initiated the normal poverty alleviation mechanism in personnel management, financial input and working mechanism.

◎ Selecting a hundred "village officials" with clearly defined responsibility. In 2010, we selected 103 capable employees and sent them to villages on full-time or part-time basis to act as the liaison for the poverty alleviation information and programmes. Each of them was required to submit documentation on the planning, implementation, and financial results of poverty alleviation programmes.

◎ Encouraging communications on ideas and knowledge for poverty alleviation. We organised training sessions at 100 poverty areas for both our employees and local government workers on policies, agricultural technology, and successful poverty alleviation case studies. We also took measures to encourage the communications between our employees and village officials and among the different poverty alleviation programme sites.

◎ Solving difficulties and building confidence. We began with helping people build confidence in themselves and their future by helping them solve their difficulties, such as housing improvement, education for children, etc.

Regarding wealth development, with the principle of "blood generation instead of blood transfusion", we focused on capacity building in order to enable aid recipients to achieve steady economic development on their own through programmes that were "sustainable, integrable, and replicable."

◎ Employment-based poverty alleviation. We established relations with potential employers and sent their job information to our poverty alleviation programme sites. In 2010, we helped 70 people find jobs and income from one job could help an entire household. Each job added nearly 2,000 yuan to their monthly family income.

◎ Developing agricultural production. We introduced the "Company-Farmer-Production Base" model for agricultural production to our programme sites. We invited experts to take field trips to our sites to teach farmers agricultural technology and to analyse the demands for local agricultural products and held a discussion on how to make structural adjustment of the local agricultural practice. In 2010, we developed the "139 Happy Farmer" project, using an Internet platform and information technology to support the production and sales of green farm products. This project generated an economic income of about 150,000 yuan directly for participating farmers.

◎ Making full use of resources. We developed a number of information services, such as Campus Information Service, Medical Information Service, Agricultural Information Service, and Rural Information Terminals, in order to give farmers access to useful information for their wealth development.

Caring for Disadvantaged Groups

We continued to work on the "Warm China 12.1 Charity Fund – China Mobile Care Operation" programme that cares for children orphaned by AIDS. In 2010, the programme hosted its third management committee meeting. The programme has already granted over 10 million yuan to provide living and education assistance to a total of 12,229 children orphaned by AIDS and improved their living conditions effectively in 2010.

The "Warm China 12.1 Charity Fund – China Mobile Care Operation" programme is now the largest charity programme in China focusing on children orphaned by AIDS or living in extreme poverty. In December 2010, we were invited to attend the "2010 Corporate Social Responsibility Summit on AIDS," hosted by the State Council AIDS Working Committee Office to share our experience. This programme became the featured case study of the "CHARTS Application Research Consultancy Project" of the Office. This further increased the influence of and public participation in this programme. In 2011, this programme plans to grant a financial aid of over 10 million yuan and fund more than 10,000 children orphaned by AIDS or living in extreme difficulty.

Our provincial subsidiaries also carried out a number of charitable activities to care for disadvantaged groups, such as poor hearing-impaired children, single mothers and elderly with cataracts.

In Zhejiang, in cooperation with the Zhejiang Foundation for Disabled Persons and Zhejiang Centre for Hearing and Speech Rehabilitation, we launched a joint programme, "Action Dream," that aimed at providing hearing training to hearing-impaired children living in poverty. The programme planned to fund the rehabilitation cost for 500 children from 2010 to 2014, and establish 3 properly equipped "Charity Hearing Centres" to address the rehabilitation need of hearing-impaired children in the province. In addition, we launched the "Charity Credit Giving" programme to support the "Action Dream". 76,000 customers participated in the programme started and donated a total 37.67 million credit points. As of June 2010, we had already completed the selection of 100 hearing-impaired children and to receive their rehabilitation first.

In Guangdong, we launched the Support Plan for Single Mothers in Need with the assistance of the Women's Federation and the Foundation for Poverty Alleviation. We donated 10 million yuan to help 5,000 single mothers in difficulty improve their life with programmes such as agricultural production assistance and employment assistance.

In Shanghai, we worked together with the Shanghai Charity Foundation and local hospitals to launch the "Light up Your Vision" charity programme in 2010. The programme will last for 3 years and plans to support over 50 seniors to get cataract surgery each year. In 2010, we also invited 20 poor seniors who have received cataract surgery to experience the wonders at the Shanghai Expo with their own eyes.

We carried out many charitable activities for migrant workers, providing them with necessary help and support, and helping them better fit into the new environment and become new residents of the city.

Caring for New Generation Migrant Workers and Building A Welcoming Home for Them

In Fujian, in order to help migrant workers better fit into city life, we conducted the "Caring for New Generation Migrant Workers" programme with the following 5 aspects based on their needs:

Career development: We consolidated resources of provincial Department of Human Resources and Social Security, human resources service providers and over 20,000 employers within the province and established the 12580 Haixi Employment Platform for a more convenient and assessable job search process. By the end of 2010, we had provided over 400,000 job postings, sent out 5.24 million job posting MMS and 5.47 million job posting SMS for free.

Worker's rights: Each year, we cooperated with trade unions, government agencies and insurance companies to carry out the "Insurance Gift" programme. By now we have sent out more than one million insurance policies, among which 1,674 injured migrant workers were compensated 4.54 million yuan in total.

Communications: We carried out the "Return to Hometown with Love" programme to help migrant workers return to their hometown during the Chinese New Year holidays and give regards and help to those who stay. Our Hometown Express programme helped about 800,000 migrant workers to return to their hometowns with specially arranged trains.

Children's education: We set up a "Caring Mom" hotline to connect more than 10,000 children from migrant worker families with volunteers. We also founded the Haixi Charity Fund to help children that migrant workers left behind in rural areas. By now we have sponsored 479 children's education, granted over 1 million yuan for educational financial aid, and helped 10 schools for children of migrant workers build libraries.

Culture: We organised the first SMS contest for migrant workers to submit holiday greeting SMS messages they created, and mini-essays and mini-opinions based on their experience in Haixi. This facilitated their transition in order to make better adjustment in Haixi. The event attracted around 184,000 participants during its first 4 months, and during the same period a total of 6.755 million SMS messages were sent among participants.

Promoting Employment

We have created many employment opportunities with our own business development. As of 2010, there were over 2.2 million employment opportunities brought about by China Mobile's related businesses. Besides, we actively develop employment and internship opportunities and participate in charitable programmes that relate to employment or entrepreneurship so as to help ease employment pressure.

In 2010, leveraging on our giant customer base, strong brand image and the influence of the Internet, mobile phone and other new media, we worked together with relevant parties and launched the Mobile Market Million Youth Entrepreneurship Action (MM Entrepreneurship Action).

Since its launch in August 2010, MM Entrepreneurship Action has expanded to 31 provincial subsidiaries nation-wide. As of 31 December 2010, it covered over 3,000 high schools, developed over 20 college entrepreneurship development bases and over 100 MM entrepreneurship associations, conducted over 300 MM entrepreneurship trainings, attracted 1.1 million young people to join the programme, and received a total of 500,000 proposals.

Following the philosophy of "teaching a man how to fish" instead of "giving a man a fish", we integrated business development with our responsibility to community into our "Smart Entrepreneurship Platform", which has received a lot of recognition from society.

Our provincial subsidiaries also initiated many effective programmes to support the creation of jobs and entrepreneurship.

In Xinjiang, we launched the "Setting Sail" programme and established the "Minority Youth Employment and Entrepreneurship Base" to help unemployed ethnic minority young people start their own businesses. The programme plans to set up 1,383 village-level volunteer stations in 1,383 villages in Hetian, benefiting at least 1,500 young people by 2012. As at the end of 2010, this programme covered 86 townships.

In Gansu, we worked with the provincial Youth League and established internship bases for college students. In 2010, 1,000 college students received internship opportunities through this programme.

MM Entrepreneurship Action

MM Entrepreneurship Action is a Mobile Internet based environment and mechanism that uses our Mobile Market business platform as the carrier. Its target group is young people, especially university students. With the free entrepreneurship education and training, incentive mechanism and entrepreneurship and employment opportunities that it offers, MM Entrepreneurship Action helps students develop their capacity and readiness for future employment and entrepreneurship opportunities, allowing them to fully realise their value to achieve their ultimate goal as entrepreneurs.

MM Entrepreneurship Action is virtually a worry-free mechanism for participants because of its characteristics of "low threshold, low cost and low risks"

◎ It offers 3 different entrepreneurship packages (A, B and C) for different types of developers to realise the dream that "everyone can start up his or her own business". People who have technical development capability or creative ideas can participate through idea development platform and remote testing platform;

◎ It offers free certified online learning and training, lecture series in universities and hi-tech parks, and entrepreneur development bases to help participants lower their costs; and

◎ We offered 1,000 internship opportunities to promising developers with which they can work for 1 to 3 months at China Mobile provincial subsidiaries, helping them build their skill sets and better adjust themselves for job market.

【 Encouraging Volunteerism 】

In 2010, we continued to enhance our employee volunteer organisations by focusing on establishing the electronic volunteer management platform and facilitating communications among volunteers. 19 of our provincial subsidiaries have formed their own employee volunteer organisations with over 80,000 volunteers in total. We will continue advocating for volunteerism and help transform it from short-term goodwill into long-term charitable commitment.

In 2010, we developed a long-term cooperation with Junior Achievement (JA) and encouraged volunteers to exchange ideas with students in relation to their career planning and life attitudes. We also worked closely with China Mobile Charity Foundation and organised volunteers to care for children orphaned by AIDS and for children living in poor mountain areas. Volunteers went to their classrooms and playgrounds, and showed them around in a tour around Beijing to bond with these children.

We continued the hand-in-hand education charity programme in Libing Middle School in the Sichuan earthquake disaster area. As of December 2010, we had 50 volunteers sponsoring 25 students. They helped the students with their education and life, and developed strong bonds with the students during 2-on-1 discussions, regular visits and distributing learning materials and sports equipment to them.

◎ In Jiangxi, our employees volunteered to provide assistance at a train station during the peak season near the Spring Festival

⦿ Total Hours of Employee Volunteering (10,000 hours)

Year	Value
2008	63
2009	79
2010	122

In Xinjiang, we set up a volunteer service team with more than 2,000 volunteers. The group made their own flag and badge, and planned and carried out a series of volunteer activities. 30 female employees went to Yining School for Disabled Children to be a "Caring Mom" and gave our love to more than 40 children there. Volunteers held a barter event in Urumqi, together with an auction to sell items not bartered out, and then donated the auction proceeds to the SOS Children Village and spent time playing with orphans. In Kuitun city, the volunteers visited elderly nursing homes and took care of seniors.

In Gansu, we established the "China Mobile Gansu Blue Dream Association" and adopted a charity model that relies on in-depth participation of our employees. In 2010, 750 person-times participated in 25 education support activities. We built 10 China Mobile Libraries, and used the libraries to launch volunteer activities.

In Guangxi, we established our own employee volunteer organisation and recruited 60 external volunteers to help with volunteer training, guidance and support. We launched the "Pass on Love with Mobile" programme. With its 2 sub-programmes, the volunteers engaged in a number of volunteer activities such as environmental protection, supporting education, charity fund raising and caring for disadvantaged groups. In addition, we set up a blog, "Pass on Love with Mobile", to share our experience.

In Anhui, we partnered with the provincial volunteer community service team and carried out the "Etiquette to Neighbourhood and Classics to Household" programme, aiming at improving the moral principle standard of the community residents through education of proper etiquette and classic Chinese literature. By December 2010, we had recruited over 300 volunteers from schools, the community and our company. We organised over 200 recital events of classic Chinese literature.

❝ This spring, our "Pass on Love with Mobile" charity programme is coming to an end. The spirit of volunteerism warms and nourishes the world, just like the breeze and the drizzle in spring. During our programme, not only do we get to meet many warm-hearted friends, but we also get a deeper understanding of the problems in our society. We work as a team and help others to overcome difficulties. In this process, what we harvested is not only hope, but also ourselves. ❞

–Xiao Wu, "Pass on Love with Mobile" volunteer

◎ In Anhui, our volunteers went to primary schools to help with classic Chinese literature education programme

◎ In Shaanxi, our employee volunteers carried out an activity

◎ In Sichuan, our employee volunteers planted trees in disaster areas last year

In Ningxia, our employee volunteers have been working with the Muslim Orphanage for years and have set up a Caring Centre. In 2007, we set up the "Caring Line" that helps children communicate with families or caring volunteers. In 2008, we organised the Care Performance, and set up a Care Library. In 2009, we brought Caring Movies and setup a Caring SMS Platform. In 2010, we visited the children and brought them school supplies. Their long-term caring and involvement with the children's growth helped them develop a happy and healthy life.

Besides promoting employee volunteerism, we have also explored the potential of developing a long-term volunteer and charity mechanism for our customers. In 2010, we delivered a total of over 15 billion public service SMS and MMS messages.

In Guangdong, with the 10086199 SMS donation platform and the 10086222 GoTone member point donation platform we established, we encouraged customers and the general public to pay attention to charity and join their forces to help.

In Jiangsu, we developed the "Jiang Hai Volunteering Service Platform" to automatically match volunteering information with demand for volunteers and to improve management on charitable activities. After registration, volunteers can gain access to service information and service time statistics through SMS and web access.

Looking forward, we will continue to rely on the China Mobile Charity Foundation, advocating for charity, encouraging volunteerism, and supporting education and disadvantaged groups including children through various charity programmes and events. In addition, we will actively evaluate the social impact of our charity activities and explore more effective ways to allocate charity resources, in order to make greater contributions to social harmony.

○ IN-FOCUS: BETTER MOBILE, BETTER EXPO

On 27 September 2006, we officially became a global partner of the World Expo 2010 Shanghai. Since then, we were actively involved in the preparation and running of the Expo, and made tremendous efforts in ensuring quality communications services for a successful, splendid, and unforgettable Expo. Centered on the theme "Great Expo, Ubiquitous Mobility," we strived to fulfil our commitments of the "Three Mosts" to the Expo – "the Most Cutting-Edge Technology, the Most Excellent Showcase, and the Most Considerate Service" together with proper coordination of support in terms of both human resources and material resources.

Key Data of China Mobile's Service for Expo

◎ We once had a record-high of 640,000 customers in the Expo Park at the same time. We successfully handled the high peak voice traffic (the highest was at 11,463 Erl) and ensured smooth communications support. Our average voice call drop rate in the Expo Park was less than 0.1%, and the wireless connection rate was over 99.8%;

◎ We assisted our parent company to provide an outstanding showcase of TD-LTE that attracted high attention, including close to 4,000 VIP guests in 270 groups as well as over 20 million Expo visitors. Mr. Zhang Dejiang, Vice Premier of the State Council of the PRC, among other leaders and experts from all over the world, visited our exhibition and gave us high regards;

◎ During the Expo, our exhibition operated for 184 days non-stop and attracted over 3.1 million visitors in total;

◎ 77,000 visitors used our mobile ticket system, and our 12580 Expo Information Service received 7.59 million inquiries in total; and

◎ The 3 China Mobile service halls in the Expo Park handled 36,800 transactions, and the average manual connection rate within 20 seconds of our service hotline exceeded 92%. Our service helped visitors better enjoy the Expo.

66 During the four years of cooperation regarding the Expo, China Mobile has been at the forefront of communications technology. The construction and perfect demonstration of the first TD-LTE showcase network with full domestic intellectual property is a highlight of the Shanghai Expo. China Mobile cooperated with the Expo organisers to make the Expo an "Expo of Science and Technology" with the development of the innovative applications such as the first mobile ticket in the history of the Expo, the visitor directing system and the mobile shoot-and-transfer video service. Its communications network support for the Expo also stood up to the test of the extremely high volume of voice usages, making great contribution to the smooth operation of the Expo. It also improved service quality to provide high-quality considerate services to visitors from China and abroad with innovative measures such as the China Mobile information kiosk and the "Red Waistcoat" volunteer teams. The Information and Communications Pavilion, one of the few enterprise pavilions at the Expo that operated 24 hours a day, showed people the wonderful dreams that information technology was going to bring to us in the future. With great enthusiasm, China Mobile has fulfilled its commitment to the Shanghai Expo by providing "the Most Cutting-Edge Technology, the Most Excellent Showcase, and the Most Considerate Service", and played a number of outstanding roles for the Expo – as sponsor, participant, provider of mobile communications support, and promoter of new technology, leaving the Shanghai Expo with a great legacy. 99

–Mr. Hong Hao, Director, Bureau of the Shanghai World Expo Coordination

【 The Most Cutting-edge Technology 】

Showcasing Our Self-innovation on TD-LTE

We assisted our parent company to have successfully constructed the TD-LTE demonstration network that covered the 5.28 square kilometres Expo Park area and 9 major pavilions. This provided an opportunity to showcase the innovation of Chinese TD-LTE technology to the global market and industries. The innovation and mature product capacity of TD-LTE was shown through various media including the comprehensive business showcase kiosk, real-time video shoot-and-transfer, mobile high definition live programming, and the Tele-Haibao robot Expo mascot. These extensive advancements not only promoted the further development of the whole industry, but also opened our doors to international markets, promoting China's innovation to the world.

Mobile Ticket Makes Expo History

Using radio frequency identification (RFID) technology, we successfully developed the Expo mobile ticket system - the first of its kind in the 150-year history of the Expo. This brand new product, making both global telecommunications history and the Expo history, allowed customers to experience how telecommunications is changing their lives for the better.

We also promoted the exhibition and application of a series of information products to make possible a low-carbon Expo. As an important window for mobile phone users to access Expo-related information, the official wireless website of the Expo provided a convenient and stable information platform for the public, the Expo organisers, and numerous participants. The wireless website helped more customers participate in the Expo, which actively promoted the culture of the Expo. The Mobile Expo is the first time in Expo's history that has integrated the Expo exhibition and mobile telecommunications technology, and provided real-time Expo video demonstration services to mobile handset users.

【 The Most Excellent Showcase 】

Showcasing Blueprints of an Information City

The Information and Communications Pavilion we jointly built displayed how the development of information communications impacts every aspect of our future life. Starting from the beginning of telecommunications development, we showed the blueprints of an information city in the next 10 years or even longer. This reflects the theme of the Expo "better city, better life". During the Expo, we successfully hosted over 20 charitable events such as group Expo tours for children from disaster area of the Wenchuan earthquake and for outstanding teachers from the disaster area of the Yushu earthquake. In addition, we organised over 10 cultural events such as a chess tournament that was televised via mobile video. The Information and Communications Pavilion not only gave people the basic knowledge of the information and communications industry, but also heightened people's expectation for a better future. By showcasing a variety of mobile information applications, we successfully made an increasing number of customers fully aware of the true meaning of "Mobile Changes Life".

> 66 The TD-LTE showcase is more than just a highlight at the Expo. It's a symbol that China can be at the forefront of the global ICT industry, and, moving ahead from 3G to the next generation, we can continue to innovate and strive for even better achievements! 99
>
> –Mr. Wen Jiabao, Premier of the PRC

◎ The "Tele-Haibao" robot Expo mascot, an integration of TD-LTE wireless transmission, automation and sensor technology

> 66 The new mobile ticket system based on RFID technology supports the functions of ticket counting, fast check-in and reservation support. Judging by the trial run and actual operation, it withstood the challenges of high passenger flow and the average check-in time was no more than 20 seconds, greatly improving entry efficiency for visitors. 99
>
> –Mr. Wan Gang, Minister, the Ministry of Science and Technology of the PRC

◎ A visitor used our mobile ticket system to enter the Shanghai Expo

> 66 The Information and Communications Pavilion has applied advanced exhibition concept and innovative approach, and has introduced characteristics of the telecommunications industry to visitors in an interactive and entertaining way, contributing to people's understanding of telecommunications technology. 99
>
> –Mr. Li Yizhong, former Minister, the Ministry of Industry and Information Technology of the PRC

【 The Most Considerate Service 】

Outstanding Communications Support

We fulfilled our commitment to quality communication service for the Expo with a premium network, which was well prepared for extreme peak traffic of up to 11,463 Erl. We also reduced energy consumption by 30% by implementing 33 energy saving technologies. In addition, we set up a comprehensive multi-line and multi-discipline network management mechanism, the "Red, Orange, Yellow, and Blue" multi-level network emergency management mechanism, and the Expo network security management model that focused on addressing the challenges of usage peaks. We focused our communications support on 3 key parts: network management, emergency response, and network security. In this way, we conducted multi-dimensional assessment, implemented real-time monitoring and multi-level management of the whole network, and provided a secure and reliable network to serve the Expo.

❝ The Shanghai Expo is coming to an end. We are most excited and grateful for your responsible and genuine work attitude, for which we successfully showed American culture, science and technology to more than 70 million people. China Mobile Shanghai Company demonstrated the professionalism and competency of a Global 500 company. We are looking forward to working with you again. **❞**

–American Pavilion

Rich and Customised Services

We provided warm, considerate and high-quality services to all guests and helped customers solve all kinds of problems. Taking full advantage of electronic channels, we provided satisfying and convenient services such as 10086 multi-language service, 12580 Expo information service, mobile information kiosk, and visitor directing system to cater to various needs. In the service halls, our employees enthusiastically helped visitors both from home and abroad, and provided services for more than 200 people each day on average. Our "Red Waistcoat" volunteer team helped the elderly, children and students, and created a harmonious environment for all guests.

❝ China Mobile's contribution to the Expo is very impressive, especially the TD-LTE technology they provided for high speed download service. The TD-LTE mobile high definition live programme is of great effect. Applications showcased at the Expo, such as Mobile Expo and mobile wallet, are very close to people's life. The tailored-made recharge card China Mobile produced specifically for the Expo is also a very good souvenir. **❞**

–Hamadoun Toure, Secretary General of International Telecommunication Union

◎ A China Mobile base station in the Shanghai Expo Park

◎ Our employees showcased our HD video surveillance technology and shoot-and-transfer service based on TD-LTE network

◎ Our mobile information kiosks served visitors with a broad variety of functions

◎ Our "Red Waistcoat" volunteers took good care of elderly visitors

○ "GO-GLOBAL" SUSTAINABILITY PRACTICES

As the key step of our "Go-Global" strategy, in 2006 we acquired Peoples Telephone Company Limited, and in December 2008, the name of the company was changed to China Mobile Hong Kong Company Limited ("Hong Kong Company"). We pay great attention to our social responsibility in the "Go-Global" practices, and actively integrate into local communities to achieve sustainable development.

"Considerate" Communications Products

In 2010, Hong Kong Company played the role of the "Sino-Hong Kong Cross-Border Communications Service Expert" by continuously offering cost efficient information products such as cap fee for local data usage, global daily roaming charges, free combination data package for China, and daily roaming Wi-Fi charges. This strengthened our support for cross-border communications. Additionally, we introduced Fetion, an SMS platform that supports local cross-operator SMS, to Hong Kong users and won the only mobile TV license in Hong Kong.

"Considerate" Customer Service

Hong Kong Company promulgates a "considerate service culture" and provides satisfying services by continuously strengthening consumption transparency and protecting customer privacy. We display our commitment to information security and customer privacy protection through various measures including stricter security management of online account and internal data, signing confidentiality agreements with employees, acknowledging customers' right to know, and providing explanation of billing details and information security tips on our web site and in customer contract. According to the Office of the Telecommunications Authority of Hong Kong (OFTA), by the end of 2010, the Company had maintained a billing accuracy rate of 99.99% for 7 consecutive years. We also actively deliver special services for the elderly, the disabled, students, and foreigners.

"Considerate" Employee Care

Hong Kong Company actively promotes localisation of its employees. Local staff takes up 99.4% of working staff and 97.7% of managerial staff. We offer comprehensive care to our employees and create a friendly working environment. At the end of 2010, we set up an "employee care team" to address employees' concerns.

"Considerate" Green Operations

Hong Kong Company cares for the environment by strictly managing the consumption of energy and resources in business operations, managing EMF radiation of base stations, and properly recycling electronic waste in order to build an environmentally friendly company. In 2010, we conducted more than 1,800 base station inspections, switched to environmentally friendly air-conditioning refrigerant, and conducted research on clean energy alternatives for base stations to reduce greenhouse gas emissions. We plan to build our first solar power base station in 2011.

Hong Kong Company actively promotes a paperless office and electronic services by employing an integrated paperless contract management system. They also introduced the "online account recharge" pre-payment functions for their products and built a centralised video exhibition system for all Hong Kong service halls to effectively reduce energy consumption. In addition, we also became the first company in the telecommunications industry to collaborate with the popular Octopus Card. We provided a self-service Octopus Cards recharging system in service halls.

"Considerate" Community Services

For many years now, Hong Kong Company has extended its spirits of customer care to the entire community and is committed to all kinds of social activities including organising events such as "Hong Kong Global Communications and Information Society Day", charity donations, blood donations, volunteering activities, providing professional knowledge and technology to social service organisations, and establishing long-term partnerships as a good corporate citizen.

Hong Kong Company has received public recognition for its considerate service and social activism. In February 2010, it won the "Caring Company" award given by the Hong Kong Council of Social Service for the ninth consecutive year in recognition of its involvement with the community.

◎ Hong Kong Company has won the" Caring Company" award given by the Hong Kong Council of Social Service every year since 2002

KEY PERFORMANCE INDICATORS

Indicators	2008	2009	2010
Company Profile			
Number of customers (million)	457	522	584
Operating revenue (billion yuan)	411.8	452.1	485.2
Taxes paid (billion yuan)	36.7	38.4	39.0
Enhancing Sustainable Development Capacity			
Cumulative number of patent applications filed	1,806	2,733	3,580
Number of employees	138,368	145,954	164,336
Average annual training time per employee (hours)	59.6	56.7	59
Building a Responsible Network			
Complaint rate per million customers (cases)	11.4*	11.75	8.53
Employees deployed for emergency response purposes (person-times)	1,379,260	204,754	354,822
Wireless connection rate (%)	99.20	99.22	99.26
Cumulative number of customer complaints related to unhealthy content addressed (million)	7.63	15.00	21.84
Narrowing the Digital Divide			
Cumulative number of administrative villages covered via the Village Connected Project	41,843	43,714	45,514
Cumulative number of natural villages covered via the Village Connected Project	19,904	34,122	43,570
Agricultural Information Service customers (million)	38.68	46.14	56.87
Number of agriculture-related items posted on the Rural Information Network website (million)	3.92	5.59	7.24
Addressing Climate Change			
Annual reduction in electricity consumption per unit of telecommunications traffic (%)	15	13	14.8
Carbon dioxide emissions (million tonnes)	7.94	9.02	10.63
Number of base stations using alternative energy	2,135	6,372	7,795
Cumulative number of mobile phones and accessories recycled (million pieces)	3.95	5.31	6.74
Percentage of services conducted through e-channels (%)	43	48	44**
Moving Towards an Information Society			
Number of Campus Information Service customers (million)	—	32.16	44.41
Number of M2M (machine to machine) terminals (million)	—	3.5	6.9
Supporting the Community			
Number of children orphaned by AIDS or living in extreme poverty sponsored	6,011	9,791	12,229
Cumulative number of China Mobile Libraries built	1,000	1,175	1,350
Cumulative number of principals of rural primary and middle schools trained	3,600	14,600	25,600
Total hours of employee volunteer activities (million hours)	0.63	0.79	1.22

* the average value from the second quarter to the fourth quarter of the year 2008.

** Since 2010, this indicator is calculated based on all channels (e-channels, our proprietary sales outlets, and cooperative channels) instead of our own channels (e-channels and our proprietary sales outlets) used previously.

⭕ LOOKING FORWARD

【 Sustainability Management 】

Sustainability Management System	◎ To focus on enhancing sustainable development capacity and conduct sustainable development capacity evaluation and management improvement; ◎ To effectively organise and promote the development of sustainability practices, focus on benchmarking with global peers, and improve sustainability performances;
Stakeholder Communication and Engagement	◎ To increase stakeholders' participation, and use our sustainability report to obtain feedback; ◎ To strengthen issue-oriented stakeholder communication, discuss with stakeholders about key issues and explore proper solutions.

【 Sustainability Practices 】

Enhancing Sustainable Development Capacity	◎ To enhance independent innovation, develop new technology, enrich new businesses, and expand into new areas in order to develop a supporting environment for innovation and development; ◎ To keep on creating a harmonious working environment for our employees, and creating room for employees to realise the mutual growth of both our employees and our company;
Building a Responsible Network	◎ To maintain world-class network quality, enhance emergency communications support capacity and response time, and implement stricter EMF management; ◎ To deliver better user experience with comprehensive billing transparency; ◎ To deal with spam messages and mass-distributed content with unhealthy content identified by consumer complaints, while protecting the normal use of our customers;
Narrowing the Digital Divide	◎ To assist our parent company to extend mobile communications networks to villages in remote areas, and support rural development with abundant agriculture-related applications to build a "New Countryside"; ◎ To address the special needs of groups such as the elderly, the disabled and ethnic minorities, and develop services and applications to increase accessibility of communications services;
Addressing Climate Change	◎ To establish a scientific energy management system, manage our environmental footprint, and achieve annual emissions reduction targets; ◎ To contribute to low-carbon development by developing innovative information products and services for businesses that are customised to the needs of different industries;
Moving Towards an Information Society	◎ To promote the development of "Wireless City", continue to explore information solutions in healthcare, education, and convenient services to the public to continue our exploration on mobile technology and support social development; and
Supporting the Community	◎ To strengthen the role of China Mobile Charity Foundation, conduct charity programmes that support education, protect environment, care for the disadvantaged groups, and to encourage our employees and stakeholders to participate in volunteer activities.

○ FEEDBACK

Dear Reader:

Thank you for taking the time to read our 2010 Sustainability Report. There are inevitably some flaws and omissions in this report and we very much welcome your comments and suggestions.

Thank you,

China Mobile Sustainability Report Team

March 2011

Name				
Contact Information	Telephone		EMAIL	
Company				
Report Feedback*	Readability	Objectivity	Logic and Structure	Completeness
Sustainability Strategy and Management				
Enhancing Sustainable Development Capacity				
Building a Responsible Network				
Narrowing the Digital Divide				
Addressing Climate Change				
Moving Towards an Information Society				
Supporting the Community				
In-Focus: Better Mobile, Better Expo				
"Go-Global" Sustainability Practices				
Looking Forward				
Overall Feedback				

*　Please rate from 1 to 5, with 1 being the lowest and 5 being the highest.

You are welcome to send this form via email to CR@chinamobile.com or via fax at 86-10-66006167. We value your feedback and will use it to improve our sustainability reporting process. We will maintain anonymity of your feedback, and your information will not be shared with any third party.

中国移动通信
CHINA MOBILE

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◉ GRI Index (G3)

No.	Index	Relevance	Page
	Strategy and Analysis		
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	High	1
1.2	Description of key impacts, risks, and opportunities.	High	1,7
	Organizational Profile		
2.1	Name of the organization.	High	3-4
2.2	Primary brands, products, and/or services.	High	4
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	High	—
2.4	Location of organization's headquarters.	High	—
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	High	3
2.6	Nature of ownership and legal form.	High	4
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	High	4
2.8	Scale of the reporting organization (including Number of employees; Net sales or net revenues; Total capitalization broken down in terms of debt and equity; and Quantity of products or services provided).	High	4,54
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	High	3,12
2.10	Awards received in the reporting period.	High	4,29
	Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	High	3
3.2	Date of most recent previous report (if any).	High	3
3.3	Reporting cycle (annual, biennial, etc.).	High	3
3.4	Contact point for questions regarding the report or its contents.	High	56
3.5	Process for defining report content.	High	3
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	High	3
3.7	State any specific limitations on the scope or boundary of the report.	High	3
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	High	3
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	High	3
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	High	30,32,35
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	High	3
3.12	Table identifying the location of the Standard Disclosures in the report.	High	3,57-62
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	Medium	—
	Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	High	5
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	High	5

No.	Index	Relevance	Page
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	High	5-6
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	High	9,13
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	High	5-6
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	High	5-6
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	High	5-6
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	High	1,3,7
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	High	8
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	High	5-6
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	High	5-6
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	High	3
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	High	3-4
4.14	List of stakeholder groups engaged by the organization.	High	9
4.15	Basis for identification and selection of stakeholders with whom to engage.	High	9
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	High	9
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	High	9-11
	Economic Performance Indicators		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	High	4,56
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	High	12
EC3	Coverage of the organization's defined benefit plan obligations.	High	13-15
EC4	Significant financial assistance received from government.	Not Applicable	—
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	High	13
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	High	9-10,12,23,33
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Medium	13,53
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	High	24-28,37-42,45
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	High	12,24-28
	Society Performance Indicators		
LA1	Total workforce by employment type, employment contract, and region.	High	4,13
LA2	Total number and rate of employee turnover by age group, gender, and region.	High	—

No.	Index	Relevance	Page
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	High	13
LA4	Percentage of employees covered by collective bargaining agreements.	Not Applicable	13
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	High	—
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	High	—
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.	High	13
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	High	13
LA9	Health and safety topics covered in formal agreements with trade unions. Health and safety topics covered in formal agreements with trade unions.	High	13
LA10	Average hours of training per year per employee by employee category.	High	14
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	High	14
LA12	Percentage of employees receiving regular performance and career development reviews.	High	14
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	High	13
LA14	Ratio of basic salary of men to women by employee category.	High	13
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not Applicable	—
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not Applicable	—
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not Applicable	—
HR4	Total number of incidents of discrimination and actions taken.	High	13
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not Applicable	—
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	High	13
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	High	13
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not Applicable	—
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	High	13,53
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	High	9,43-49
SO2	Percentage and total number of business units analyzed for risks related to corruption.	High	—
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	High	—
SO4	Actions taken in response to incidents of corruption.	High	—
SO5	Public policy positions and participation in public policy development and lobbying.	High	24,29
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not Applicable	—
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	High	—
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	High	—

No.	Index	Relevance	Page
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	High	16
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	Low	16
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Medium	20
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	High	20
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	High	21
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	High	20-23
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	High	—
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	High	22
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	High	—
	Environmental Performance Indicators		
EN1	Materials used by weight or volume.	Medium	30-34
EN2	Percentage of materials used that are recycled input materials.	Medium	30-34
EN3	Direct energy consumption by primary energy source.	High	31
EN4	Indirect energy consumption by primary source.	High	31
EN5	Energy saved due to conservation and efficiency improvements.	High	30-36
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Low	30-36
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Low	32
EN8	Total water withdrawal by source.	Medium	—
EN9	Water sources significantly affected by withdrawal of water.	Low	—
EN10	Percentage and total volume of water recycled and reused.	Low	—
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Low	—
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	High	36
EN13	Habitats protected or restored.	Low	—
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Low	—
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Low	—
EN16	Total direct and indirect greenhouse gas emissions by weight.	High	31
EN17	Other relevant indirect greenhouse gas emissions by weight.	High	31
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	High	29-36
EN19	Emissions of ozone-depleting substances by weight.	Low	—
EN20	NO, SO, and other significant air emissions by type and weight.	Low	—
EN21	Total water discharge by quality and destination.	Low	—
EN22	Total weight of waste by type and disposal method.	High	30-33
EN23	Total number and volume of significant spills.	Not Applicable	—

No.	Index	Relevance	Page
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Low	—
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Low	—
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	High	29-36
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Low	33
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	High	—
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Low	33
EN30	Total environmental protection expenditures and investments by type.	High	29

GRI Telecom Index

No.	Index	Relevance	Page
	Internal Operations		
IO1	Capital investment in telecommunication network infrastructure broken down by country/region.	High	24
IO2	Net costs for service providers under the Universal Service Obligation when extending service to geographic locations and low-income groups, which are not profitable. Describe relevant legislative and regulatory mechanisms.	High	24-26
IO3	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant. Related health and safety issues include working at heights, electric shock, exposure to EMF and radio frequency fields, and exposure to hazardous chemicals.	High	13
IO4	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to radiofrequency (RF) emissions from handsets.	High	16
IO5	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radiofrequency (RF) emissions from base stations.	High	16
IO6	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets.	Not Applicable	—
IO7	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing, and initiatives to reduce visual impacts. Describe approach to evaluate consultations and quantify where possible.	High	16
IO8	Number and percentage of stand-alone sites, shared sites, and sites on existing structures.	High	31
	Providing Access		
PA1	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas. Include an explanation of business models applied.	High	24-26
PA2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, income, disabilities, and age. Include an explanation of business models applied.	High	27-28
PA3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	High	16-23
PA4	Quantify the level of availability of telecommunications products and services in areas where the organization operates. Examples include: customer numbers/market share, addressable market, percentage of population covered, percentage of land covered.	High	4,16,24-26

No.	Index	Relevance	Page
PA5	Number and types of telecommunication products and services provided to and used by low and no income sectors of the population. Provide definitions selected. Include explanation of approach to pricing, illustrated with examples such as price per minute of dialogue/bit of data transfer in various remote, poor or low population density areas.	High	24-26
PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	High	17-19
PA7	Policies and practices to manage human rights issues relating to access and use of telecommunications products and services.	High	9,20-23,24-28
PA8	Policies and practices to publicly communicate on EMF related issues. Include information provided at points of sales.	High	16
PA9	Total amount invested in programmes and activities in electromagnetic field research. Include description of programmes currently contributed to and funded by the reporting organization.	High	16
PA10	Initiatives to ensure clarity of charges and tariffs.	High	20
PA11	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use.	High	33-36
	Technology Applications		
TA1	Provide examples of the resource efficiency of telecommunication products and services delivered.	High	31-34
TA2	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects.	High	25-26,35-36
TA3	Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size, or potential savings.	High	25-26,35-36
TA4	Disclose any estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above, and lessons learned for future development. This may include social as well as environmental consequences.	High	25-26,35-36
TA5	Description of practices relating to intellectual property rights and open source technologies.	High	12

◉ The UN Global Compact's 10 Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights (see pages 13-15, 24-28); and,

Principle 2: make sure that they are not complicit in human rights abuses (see pages 13-15, 24-28).

Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining (see pages 13-15);

Principle 4: the elimination of all forms of forced and compulsory labor (see pages 13-15);

Principle 5: the effective abolition of child labor (see pages 13-15); and,

Principle 6: the elimination of discrimination in respect of employment and occupation (see pages 13-15).

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges (see pages 29-36);

Principle 8: undertake initiatives to promote greater environmental responsibility (see pages 29-36); and,

Principle 9: encourage the development and diffusion of environmentally friendly technologies (see pages 29-36).

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery (see page 5-6).

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