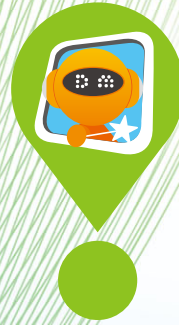




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CHAIRMAN'S STATEMENT

Dear Shareholders,

In the first half of 2015, amidst the complex competitive landscape, the Group proactively seized the good opportunities brought by the "Internet+" Plan, aligned with the development trends of three growth curves in voice, data traffic and digital services, further advanced strategic transformation, accelerated business redeployment and innovation, persistently bolstered our leading advantages in 4G business, fostered digital services and improved quality and efficiency, demonstrating a sound growth momentum. The Group led the industry in terms of revenue growth and maintained favorable profitability.



FINANCIAL RESULTS

In the first half of 2015, the Group's operating revenue recorded a favorable growth and reached RMB340.7 billion, up by 4.9% over the same period last year, of which, revenue from telecommunications services was RMB299.5 billion, up by 0.5% over the same period last year. Driven by the rapid development of 4G business, data business continued to maintain a positive growth momentum with revenue of RMB151.5 billion, up by 24.3% over the same period last year, and as a percentage of revenue from telecommunications services increased to 50.6%. The revenue structure was further optimized, of which, revenue from wireless data traffic reached RMB100.9 billion, up by 40.1% over the same period last year and was the primary driver of the growth of revenue. In addition to the endeavor of increasing revenue, the Group further reinforced cost reduction and efficiency enhancement, deepened the transformation of marketing and sales model, strictly controlled administrative expenses and the results are favorable and continuously maintained favorable profitability. Profit attributable to equity shareholders decreased by 0.8% over the same period last year to RMB57.3 billion, and the margin of profit attributable to equity shareholders was 16.8%. EBITDA¹ increased by 7.3% over the same period last year to RMB126.9 billion, and EBITDA margin² was 37.2%. EBITDA was 42.4% of revenue from telecommunications services.

RAPID 4G DEVELOPMENTS

Focusing on 4G quality network construction, we continue improving our capabilities in network and marketing and rapidly expanding our 4G customer base to consolidate our leading position in 4G development.

In the first half of 2015, the number of our 4G base stations reached 940,000. Keeping enhancing our network capability and coverage, we achieved the world's largest 4G network covering a population of more than one billion people, realizing nationwide continuous coverage in almost all cities and counties as well as data hotspot coverage in developed rural towns and villages. We proactively guided the development of the device supply chain to launch 4G devices of more diversified models at more affordable prices. In the first half of 2015, 140 million 4G handsets had been sold through all distribution channels. We accelerated our customer migration to 4G network by promoting the integrated marketing of devices, USIM cards and 4G tariff plans. The number of our 4G customers demonstrated an accelerating growth momentum, and a net increase of 99.6 million customers was recorded in the first half of 2015. As at the end of June 2015, our 4G customer base reached 190 million, accounting for 23% of our total number of customers, and our 4G customers' DOU reached 704MB. Meanwhile, we have launched 4G international roaming services in 82 countries and regions and accelerated the global development of TD-LTE through the efforts of GTI (Global TD-LTE Initiative).

¹ The Company defines EBITDA as profit for the period before taxation, share of profit of associates, finance costs, interest income, non-operating income (net), depreciation and amortization of other intangible assets.

² EBITDA margin = EBITDA/Operating revenue

CHAIRMAN'S STATEMENT

BUSINESS DEVELOPMENT

Seizing the opportunities arising from the 4G developments, the Group actively expanded the market focusing on the three major drivers of operations, namely, existing customers and business, data traffic and corporate customer services, and maintained stable growth in business development.

In terms of existing customers and business, we maintained a stable customer base and advantages in customer scale. As at the end of June 2015, we had over 810 million customers, representing a growth of 10.56 million customers as compared with the end of 2014. We further developed our operations of existing customers and business, and accelerated the migration of customers from 2G and 3G networks to 4G network with a stable retention of middle-to-high-end customers.

We achieved notable increase in data traffic operation and transition from voice-centric to data-centric operations. We accelerated the construction of internet infrastructure to increase the internet access speed, and the mobile phone on-net hits rate reached 84.8%. In the meantime, aligned with customers' demand, we promoted the restructuring of tariff plans and launched innovative services such as integrated data tariff plans and data traffic sharing service. Our data traffic operations showed a rapid growth momentum. In the first half of 2015, our mobile data traffic increased by 154% as compared with the same period last year. The driving force of data traffic as the primary driver of revenue growth becomes more apparent.

We diversified our products designed for corporate customers and achieved a rapid growth in revenue. We launched the commercial Mobile Cloud service and the trial commercialization of three corporate integrated products of Cloud Switchboard, Cloud Corporate Messaging and Cloud Video; endeavored to establish major products such as "and-Education", "and-Health" and "Internet of Vehicles" to provide integrated solutions targeting different industries and enhance customer value and revenue scale. Revenue from informationalization services increased by 18.7% as compared with the same period last year, with a notable increase in market shares.

STRATEGIC TRANSFORMATION

The Chinese government has formulated the "Internet+" action plan and is actively promoting the integration of mobile Internet, Big Data, Cloud Computing and Internet of Things with modern manufacture to achieve industrial upgrading and updating. In the future, digital services will extensively reshape the mode of production and lifestyle, providing a promising market for the development of the information and communication industry. Aligned with the development trends of mobile Internet and the "Internet+", the Group seized the alternating trends of the three curves and deepened its strategic transformation.

The Group focused on the establishment of a quality and efficient 4G network, persisted with the development of Four-Network Coordination and enhanced its overall network capability, leading to a more reasonable data carrying structure. Our 4G mobile data traffic increased to 62% of the total data traffic. The major data carrying 4G network had promoted the transition from voice-centric to data-centric operations. We further improved our infrastructure network capabilities, focusing on the accumulation and construction of infrastructure resources including our transmission networks, public Internet and IDC. Leveraging our wireless broadband advantages, we promoted the development of fixed-line broadband access with actual situation, to provide foundation and support for the transition from mobile services to innovative full-services.

Adhering to the “smart pipes, open platform, featured services, friendly interface” policy, the Group promoted the development of mobile Internet and its capacities in digital services. Leveraging our advantages in resources, scale and capabilities, we consolidated and promoted the product series of “and-Entertainment”, “and-Life” and “and-Communication”, and accelerated the construction and function development of integrated communication platforms. In the meantime, we strengthened redeployment in entertainment, education, transportation, Internet of Things and other key areas, attached great importance to the building of our new capacities in Next Generation Network, Big Data and Open Platform, actively promoted the specialized reform in digital services, accelerated the development of the third growth curve and carried out the transformation and evolution from communications to digital services.

REFORM AND INNOVATION

The Group endeavored to promote business redeployment and innovation. Adhering to the principles of centralized management, operational specialization, market-oriented mechanisms, the building of a flat organization and the standardization of processes, the Group constructed new infrastructure and developed products and services for specialized operations and further strengthened our capabilities to achieve sustainable growth.

We improved our capabilities in specialized company operation. With respect to devices, we created our own brand devices and launched the VoLTE-supported smartphones A1 and N1 featuring five modes and eleven frequencies priced at around RMB1,000. With respect to corporate customer operations, we built network-wide collaborative sales systems for major customers and corporate customer product systems for various industries. We established the China Mobile Innovation Industry Fund to promote industrial innovation. We have commenced construction of research centers in Suzhou and Hangzhou. MIGU Company Limited which focuses on mobile Internet digital content services has gradually achieved full integration of the five content areas. Our online services company has accelerated the capacity building of centralized services.

CHAIRMAN'S STATEMENT

We strengthened centralized management focusing on network malfunction, performance, optimization and maintenance. We continued promoting centralized procurement, further centralized the management of sales outlets and optimized our centralized information security system. We also accelerated the centralized construction of modern infrastructure and our International Information Port Data Center has started production.

CORPORATE GOVERNANCE

Abiding by corporate governance principles of integrity, transparency, openness and efficiency, the Company strived to better corporate governance practices by strictly following the requirements under the Listing Rules. We continued to improve the risk management and internal controls, enhance risk predictions and the effects of risk management and control, and promoted the integration of internal controls and business processes. In the first half of 2015, in response to internal and external operating environments as well as regulatory requirements, we focused on the effectiveness and standards of our development, strengthened the supervision on major items in key areas to prevent operation risks and eliminate management loopholes. We continued improving our management systems and mechanisms to ensure our healthy operations.

INVESTMENT AND ACQUISITION

Taking into consideration our full-service strategic development, in order to obtain quick access to fixed-line broadband core resources and enhance our operational and managerial efficiency, the Company is currently considering a potential acquisition (the "Potential Acquisition") of the assets and businesses of China TieTong Telecommunications Corporation, a wholly owned subsidiary of China Mobile Communications Corporation, the Company's ultimate controlling shareholder.

The Company will comply with the relevant requirements under the Listing Rules and disclose information in relation to the Potential Acquisition as and when appropriate.

CORPORATE SOCIAL RESPONSIBILITY

The Group has always attached great importance to corporate social responsibility. We continued to deepen the management of our corporate social responsibility, implemented innovative social responsibility practices and played an important role in providing emergency communication services, safeguarding network and information security, eliminating digital divide, facilitating energy saving and emissions reduction and supporting social and charity activities, thus earned wide recognition. We furthered our "Green Action Plan". In the first half of 2015, we realized a reduction in overall energy consumption per unit of information flow by 15.1% over the same period last year. Through our China Mobile Charity Foundation, we continued to carry out philanthropic activities such as poverty alleviation and education support. As at the end of June 2015, we have cumulatively sponsored surgeries for 2,456 children in poverty with congenital heart disease. We continue promoting the "Blue Dream" Education Aid Plan and plan to sponsor trainings for 11,000 primary and secondary school principals in central and western China in 2015.

AWARDS AND RECOGNITION

Our efforts have been widely recognized and praised. In 2015, our ranking in Forbes Magazine's "Global 2000" List improved to 20th and once again, we were listed among the "FT Global 500", ranking improved to 11th. The China Mobile® brand was named one of the "BRANDZ™ Top 100 Most Powerful Brands" by Millward Brown and Financial Times for the tenth consecutive year, ranking 15th globally. In the first half of 2015, Moody's and Standard & Poor's kept our corporate credit ratings equivalent to China's sovereign credit ratings, which are Aa3/ Outlook Stable and AA-/ Outlook Stable, respectively.

DIVIDENDS

In view of our operating results in the first half of 2015, and taking into consideration of our long-term sustainable development, the Board declared an interim dividend of HK\$1.525 per share in accordance with the dividend payout ratio planned for the full financial year of 2015.

The Board believes that the Company's favorable profitability and healthy cash flow generating capability will be able to provide sufficient support to its future development, while providing shareholders with a favorable return.

FUTURE OUTLOOK

Looking ahead, the Chinese government's promotion of the "Internet+" Plan will lead information consumption to become an emerging area with rapid growth. In the Internet of Everything era, everything including human beings, objects, locations, data will be re-organized and re-connected, which opens up a broad market for digital services, brings broad space for the sustainable development of the information and communication industry and provides unprecedented opportunities for the Company's development.

Nonetheless, we are facing severe challenges from intensified competition in three aspects. With respect to competition in Internet, the operators are facing with the pressure of business substitution of internet companies, the competition for customers as well as network bypass and reshaping of the industry landscape. With respect to cross-industry competition, the manufacturers of network equipment and devices are attempting to enter the field of operation. With respect to competition within the industry, the competition among operators focusing on existing customers and business and data traffic is further intensified, thus our leading window period in 4G is shortened under the growing competition. In addition, changes of customer demand leading to the adjustments of tariff policy will bring considerable impacts on our development.

CHAIRMAN'S STATEMENT

Looking ahead, the Group will focus on the strategic vision of “Mobile Changes Life, Build Quality Smart Pipe, Become a Trustworthy Digital Services Expert”, firmly seize the favorable opportunities arising during the golden period of data traffic operation for developing digital services, continue to adhere to quality and efficiency, and promote business redeployment and innovation. We will further bolster our leading advantages in 4G business and accelerate the development of fostering digital services. By carrying out industrial layout, capacity building, integrated innovation and reform drive, we will continue expanding our market share in daily life services oriented to individual customers and information services oriented to all industries to build our new advantages for competition and development.

Meanwhile, we will look for appropriate external investment opportunities in an active but cautious manner, and strive to broaden our presence in the market to support our transformation and development.

We will persevere as always and strive to create value for investors.

A handwritten signature in black ink, consisting of stylized Chinese characters, likely representing the name Xi Guohua.

Xi Guohua
Chairman

20 August 2015, Hong Kong

INTERIM FINANCIAL INFORMATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

(Expressed in Renminbi ("RMB"))

| | Note | Six months ended 30 June | |
|--|------|--------------------------|-----------------|
| | | 2015 Million | 2014 Million |
| Operating revenue | 5 | | |
| Revenue from telecommunications services | | 299,527 | 297,910 |
| Revenue from sales of products and others | | 41,200 | 26,771 |
| | | 340,727 | 324,681 |
| Operating expenses | | | |
| Leased lines | | 10,651 | 10,235 |
| Interconnection | | 10,871 | 12,116 |
| Depreciation | | 64,316 | 55,868 |
| Employee benefit and related expenses | 6 | 33,977 | 33,261 |
| Selling expenses | | 33,318 | 44,700 |
| Cost of products sold | | 43,421 | 40,523 |
| Other operating expenses | | 81,671 | 65,624 |
| | | 278,225 | 262,327 |
| Profit from operations | | 62,502 | 62,354 |
| Non-operating income, net | | 837 | 332 |
| Interest income | | 7,396 | 7,870 |
| Finance costs | | (114) | (114) |
| Share of profit of associates | | 3,633 | 3,966 |
| Profit before taxation | 7 | 74,254 | 74,408 |
| Taxation | 8 | (16,924) | (16,619) |
| PROFIT FOR THE PERIOD | | 57,330 | 57,789 |
| Other comprehensive (loss)/income for the period that may be subsequently reclassified to profit or loss: | | | |
| Exchange differences on translation of financial statements of overseas entities | | (16) | (100) |
| Share of other comprehensive income of associates | | 167 | 718 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 57,481 | 58,407 |

INTERIM FINANCIAL INFORMATION (Continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2015

(Expressed in RMB)

| | Note | Six months ended 30 June | |
|--|-------|--------------------------|-----------------|
| | | 2015 Million | 2014 Million |
| Profit attributable to: | | | |
| Equity shareholders of the Company | | 57,265 | 57,742 |
| Non-controlling interests | | 65 | 47 |
| PROFIT FOR THE PERIOD | | 57,330 | 57,789 |
| Total comprehensive income attributable to: | | | |
| Equity shareholders of the Company | | 57,416 | 58,360 |
| Non-controlling interests | | 65 | 47 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 57,481 | 58,407 |
| Earnings per share – Basic | 10(a) | RMB2.80 | RMB2.86 |
| Earnings per share – Diluted | 10(b) | RMB2.80 | RMB2.83 |
| EBITDA (RMB million) | | 126,863 | 118,265 |

The notes on pages 15 to 32 are an integral part of this interim financial information. Details of dividends to equity shareholders of the Company are set out in note 9.

INTERIM FINANCIAL INFORMATION (Continued)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2015

(Expressed in RMB)

| | Note | As at 30 June 2015 Million | As at 31 December 2014 Million |
|--|------|-------------------------------------|---|
| Non-current assets | | | |
| Property, plant and equipment | 11 | 571,493 | 564,795 |
| Construction in progress | 11 | 91,227 | 93,341 |
| Land lease prepayments and other prepayments | | 25,661 | 24,855 |
| Goodwill | | 35,300 | 35,300 |
| Other intangible assets | | 736 | 766 |
| Interest in associates | 12 | 71,401 | 70,444 |
| Interest in a joint venture | | 15 | – |
| Deferred tax assets | | 27,917 | 20,507 |
| Restricted bank deposits | 13 | 5,384 | 8,731 |
| Other financial assets | | 127 | 127 |
| | | 829,261 | 818,866 |
| Current assets | | | |
| Inventories | | 6,657 | 9,130 |
| Accounts receivable | 14 | 18,374 | 16,340 |
| Other receivables | 15 | 15,551 | 14,398 |
| Prepayments and other current assets | 15 | 15,082 | 15,344 |
| Amount due from ultimate holding company | 16 | 121 | 112 |
| Tax recoverable | | 263 | 702 |
| Available-for-sale financial assets | 17 | 6,487 | 2,000 |
| Restricted bank deposits | 13 | – | 695 |
| Bank deposits | 18 | 350,179 | 352,118 |
| Cash and cash equivalents | 19 | 100,833 | 66,744 |
| | | 513,547 | 477,583 |
| Current liabilities | | | |
| Accounts payable | 20 | 204,050 | 223,503 |
| Bills payable | | 976 | 674 |
| Deferred revenue | | 58,554 | 62,615 |
| Accrued expenses and other payables | | 162,754 | 134,725 |
| Amount due to ultimate holding company | 16 | 4,380 | 4,271 |
| Obligations under finance leases | | 68 | 68 |
| Current taxation | | 11,179 | 6,020 |
| | | 441,961 | 431,876 |
| Net current assets | | | |
| | | 71,586 | 45,707 |
| Total assets less current liabilities carried forward | | | |
| | | 900,847 | 864,573 |

INTERIM FINANCIAL INFORMATION (Continued)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 June 2015

(Expressed in RMB)

| | Note | As at 30 June 2015 Million | As at 31 December 2014 Million |
|--|------|-------------------------------------|---|
| Total assets less current liabilities brought forward | | 900,847 | 864,573 |
| Non-current liabilities | | | |
| Interest-bearing borrowings | 21 | (4,993) | (4,992) |
| Deferred revenue, excluding current portion | | (850) | (840) |
| Deferred tax liabilities | | (158) | (98) |
| | | (6,001) | (5,930) |
| NET ASSETS | | 894,846 | 858,643 |
| CAPITAL AND RESERVES | | | |
| Share capital | 22 | 402,113 | 400,737 |
| Reserves | | 490,622 | 455,839 |
| Total equity attributable to equity shareholders of the Company | | 892,735 | 856,576 |
| Non-controlling interests | | 2,111 | 2,067 |
| TOTAL EQUITY | | 894,846 | 858,643 |

The notes on pages 15 to 32 are an integral part of this interim financial information.

INTERIM FINANCIAL INFORMATION (Continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

(Expressed in RMB)

| | Attributable to equity shareholders of the Company | | | | | | | | Non-controlling interests Million | Total equity Million |
|---|--|--------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------------|-----------------------------|------------------|--------------------------------------|-------------------------|
| | Share capital Million | Share premium Million | Capital reserve Million | General reserve Million | Exchange reserve Million | PRC statutory reserves Million | Retained profits Million | Total Million | | |
| As at 1 January 2014 | 2,142 | 387,243 | (293,052) | 72 | (600) | 235,749 | 457,219 | 788,773 | 1,951 | 790,724 |
| Changes in equity for the six months ended 30 June 2014: | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 57,742 | 57,742 | 47 | 57,789 |
| Other comprehensive income/(loss) | - | - | 718 | - | (100) | - | - | 618 | - | 618 |
| Total comprehensive income/(loss) for the period | - | - | 718 | - | (100) | - | 57,742 | 58,360 | 47 | 58,407 |
| Dividends to equity shareholders (note 9(b)) | - | - | - | - | - | - | (26,044) | (26,044) | (10) | (26,054) |
| Shares issued under share option scheme | 4,876 | 2,073 | (1,940) | - | - | - | - | 5,009 | - | 5,009 |
| Transfer to PRC statutory reserves | - | - | - | - | - | 10 | - | 10 | - | 10 |
| Transition to no-par value regime | 389,316 | (389,316) | - | - | - | - | - | - | - | - |
| As at 30 June 2014 | 396,334 | - | (294,274) | 72 | (700) | 235,759 | 488,917 | 826,108 | 1,988 | 828,096 |
| As at 1 January 2015 | 400,737 | - | (294,992) | 72 | (761) | 258,918 | 492,602 | 856,576 | 2,067 | 858,643 |
| Changes in equity for the six months ended 30 June 2015: | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 57,265 | 57,265 | 65 | 57,330 |
| Other comprehensive income/(loss) | - | - | 167 | - | (16) | - | - | 151 | - | 151 |
| Total comprehensive income/(loss) for the period | - | - | 167 | - | (16) | - | 57,265 | 57,416 | 65 | 57,481 |
| Dividends to equity shareholders (note 9(b)) | - | - | - | - | - | - | (22,283) | (22,283) | (21) | (22,304) |
| Shares issued under share option scheme (note 22) | 1,376 | - | (365) | - | - | - | - | 1,011 | - | 1,011 |
| Transfer to PRC statutory reserves | - | - | - | - | - | 15 | - | 15 | - | 15 |
| As at 30 June 2015 | 402,113 | - | (295,190) | 72 | (777) | 258,933 | 527,584 | 892,735 | 2,111 | 894,846 |

The notes on pages 15 to 32 are an integral part of this interim financial information.

INTERIM FINANCIAL INFORMATION (Continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

(Expressed in RMB)

| | Six months ended 30 June | |
|---|--------------------------|-----------------|
| | 2015 Million | 2014 Million |
| Net cash generated from operating activities | 127,073 | 120,066 |
| Net cash used in investing activities | (71,621) | (70,070) |
| Net cash used in financing activities | (21,310) | (21,035) |
| Net increase in cash and cash equivalents | 34,142 | 28,961 |
| Cash and cash equivalents as at 1 January | 66,744 | 44,931 |
| Effect of changes in foreign exchange rate | (53) | 15 |
| Cash and cash equivalents as at 30 June | 100,833 | 73,907 |

The notes on pages 15 to 32 are an integral part of this interim financial information.

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

China Mobile Limited (the “Company”) was incorporated in the Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China (the “PRC”) on 3 September 1997. The principal activities of the Company and its subsidiaries (together referred to as the “Group”) are the provision of mobile telecommunications and related services in Mainland China and in Hong Kong (For the purpose of preparing the unaudited condensed consolidated interim financial information, Mainland China refers to the PRC excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan). The Company’s ultimate holding company is China Mobile Communications Corporation (“CMCC”).

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 23 October 1997 and the American Depositary Shares of the Company were listed on the New York Stock Exchange on 22 October 1997.

The unaudited condensed consolidated interim financial information was approved for issuance on 20 August 2015.

The Group’s condensed consolidated interim financial information is unaudited, but has been reviewed by the Company’s Audit Committee. The condensed consolidated interim financial information has also been reviewed by the Company’s independent auditor, PricewaterhouseCoopers (“PwC”), in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). PwC’s unmodified independent review report to the board of directors is included on page 33 of this interim report.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim financial reporting”, issued by the International Accounting Standards Board (“IASB”). IAS 34 is consistent with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting”, issued by HKICPA and accordingly this unaudited condensed consolidated interim financial information is also prepared in accordance with HKAS 34.

The preparation of the unaudited condensed consolidated interim financial information in conformity with IAS/HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2014. The Group’s policies on financial risk management were set out in the financial statements included in the Company’s 2014 Annual Report and there have been no significant changes in the financial risk management policies for the six months ended 30 June 2015.

The Group’s unaudited condensed consolidated interim financial information contains explanations of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2014. The unaudited condensed consolidated interim financial information does not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) or Hong Kong Financial Reporting Standards (“HKFRSs”).

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2014.

The following amended and annual improved standards are mandatory for the first time for the Group's financial year beginning 1 January 2015 and are applicable for the Group:

Amendment to IAS/HKAS 19, "Employee Benefits"
Annual Improvement to IFRSs/HKFRSs 2010-2012 cycle
Annual Improvement to IFRSs/HKFRSs 2011-2013 cycle

The adoption of the above amended standards did not have any significant impact on the Group's unaudited condensed consolidated interim financial information.

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, the adoption of the new Hong Kong Companies Ordinance did not have any significant impact on the Group's unaudited condensed consolidated interim financial information.

In addition, the IASB and HKICPA also published a number of new standards and amendments to standards which are effective for the financial year beginning after 1 January 2015 and have not been early adopted by the Group. Management is assessing the impact of such new standards and amendments to standards and will adopt the relevant standards and amendments to standards in the subsequent periods as required.

4 SEGMENT REPORTING

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

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

5 OPERATING REVENUE

| | Six months ended 30 June | |
|--|--------------------------|-----------------|
| | 2015 Million | 2014 Million |
| Revenue from telecommunications services | | |
| Voice services | 138,670 | 165,778 |
| Data services | 151,512 | 121,913 |
| Others | 9,345 | 10,219 |
| | 299,527 | 297,910 |
| Revenue from sales of products and others | 41,200 | 26,771 |
| | 340,727 | 324,681 |

On 29 April 2014, a notification (the “Cai Shui [2014] No. 43”) was jointly issued by the Ministry of Finance and the State Administration of Taxation of the PRC (“SAT”), and as approved by the State Council of the PRC, the telecommunications industry would be included in the scope of the pilot program for the transformation from business tax to value-added tax (the “VAT Program”) from 1 June 2014. According to the Cai Shui [2014] No. 43, the value-added tax rates for the provision of basic telecommunications services and value-added telecommunications services are 11% and 6%, respectively. With the implementation of the VAT Program from 1 June 2014, the Group is not required to pay the business tax of 3% on the telecommunications services.

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

6 EMPLOYEE BENEFIT AND RELATED EXPENSES

| | Six months ended 30 June | |
|--|--------------------------|-----------------|
| | 2015 Million | 2014 Million |
| Salaries, wages and other benefits | 19,819 | 16,095 |
| Retirement costs: contributions to defined contribution retirement plans | 2,748 | 2,020 |
| Labor service expenses | 11,410 | 15,146 |
| | 33,977 | 33,261 |

In accordance with requirements of reducing the proportion of labor sourced by third parties that provide services to the Group (“outsourcing labor”) among total labor under “Amendment to Labor Contract Law of the PRC” and its associated rules and regulations, the Group has made adjustment on the structure of employees and outsourcing labor. Such adjustment leads to the increase in number of employees and the decrease in number of outsourcing labor in 2015 and the following years. In order to reasonably reflect the composition and fluctuation of employee benefit and related expenses, the Group presents employee benefit and related expenses by combining personnel expenses and labor service expenses, the latter of which was presented under other operating expenses prior to 2015. The comparative figures have been presented on the same basis.

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

| | Six months ended 30 June | |
|---|--------------------------|-----------------|
| | 2015 Million | 2014 Million |
| Impairment loss for doubtful accounts | 2,919 | 3,237 |
| Amortization of other intangible assets | 45 | 43 |
| Operating lease charges | | |
| – land and buildings | 6,759 | 5,492 |
| – leased lines | 10,651 | 10,235 |
| – others | 2,488 | 1,992 |

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

8 TAXATION

| | Note | Six months ended 30 June | |
|---|-------|--------------------------|-----------------|
| | | 2015 Million | 2014 Million |
| Current tax | | | |
| Provision for Hong Kong profits tax on the estimated assessable profits for the period | (i) | 83 | 108 |
| Provision for the PRC enterprise income tax on the estimated taxable profits for the period | (ii) | 24,191 | 21,495 |
| | | 24,274 | 21,603 |
| Deferred tax | | | |
| Origination and reversal of temporary differences | (iii) | (7,350) | (4,984) |
| | | 16,924 | 16,619 |

Note:

- (i) The provision for Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2015 (for the six months ended 30 June 2014: 16.5%).
- (ii) The provision for the PRC enterprise income tax is based on the statutory tax rate of 25% on the estimated taxable profits determined in accordance with the relevant income tax rules and regulations of the PRC for the six months ended 30 June 2015 (for the six months ended 30 June 2014: 25%). Certain subsidiaries of the Company enjoy the preferential tax rate of 15% (for the six months ended 30 June 2014: 15%).
- (iii) Deferred taxes of the Group are recognized based on tax rates that are expected to apply to the periods when the temporary differences are realized or settled.
- (iv) On 22 April 2009, SAT issued the "Notice regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management" (the "2009 Notice"). The Company is qualified as a PRC offshore-registered resident enterprise for purposes of the 2009 Notice. In accordance with the 2009 Notice and the PRC enterprise income tax law, the dividend income of the Company from its subsidiaries in the PRC is exempted from PRC enterprise income tax.

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

9 DIVIDENDS

(a) Dividends attributable to the period

| | Six months ended 30 June | |
|--|--------------------------|-----------------|
| | 2015 Million | 2014 Million |
| Ordinary interim dividend declared after the balance sheet date of HK\$1.525 (equivalent to approximately RMB1.203) (2014: HK\$1.540 (equivalent to approximately RMB1.222)) per share | 24,624 | 24,879 |

The 2015 ordinary interim dividend which is declared in Hong Kong dollar is translated into RMB at the rate HK\$1=RMB0.78861, being the rate announced by the State Administration of Foreign Exchange in the PRC on 30 June 2015. As the ordinary interim dividend is declared after the balance sheet date, such dividend is not recognized as liability as at 30 June 2015.

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

(b) Dividends attributable to the previous financial year, approved and paid during the period

| | Six months ended 30 June | |
|--|--------------------------|-----------------|
| | 2015 Million | 2014 Million |
| Ordinary final dividend in respect of the previous financial year, approved and paid during the period, of HK\$1.380 (equivalent to approximately RMB1.089) (2014: HK\$1.615 (equivalent to approximately RMB1.270)) per share | 22,283 | 26,044 |

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2015 is based on the profit attributable to equity shareholders of the Company of RMB57,265,000,000 (for the six months ended 30 June 2014: RMB57,742,000,000) and the weighted average number of 20,471,012,718 shares (for the six months ended 30 June 2014: 20,209,536,890 shares) in issue during the six months ended 30 June 2015.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2015 is based on the profit attributable to equity shareholders of the Company of RMB57,265,000,000 (for the six months ended 30 June 2014: RMB57,742,000,000) and the weighted average number of 20,479,980,850 shares (for the six months ended 30 June 2014: 20,368,640,154 shares), calculated as follows:

Weighted average number of shares (diluted)

| | Six months ended 30 June | |
|---|--------------------------|--------------------------|
| | 2015 Number of shares | 2014 Number of shares |
| Weighted average number of shares in issue during the period | 20,471,012,718 | 20,209,536,890 |
| Dilutive equivalent shares arising from share options | 8,968,132 | 159,103,264 |
| Weighted average number of shares (diluted) during the period | 20,479,980,850 | 20,368,640,154 |

11 PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

(a) Acquisition of property, plant and equipment and construction in progress

During the six months ended 30 June 2015, the Group acquired items of property, plant and equipment and construction in progress with a cost of RMB69,664,000,000 (for the six months ended 30 June 2014: RMB83,716,000,000).

(b) Write off of property, plant and equipment

Property, plant and equipment with a net book value of RMB749,000,000 were written off during the six months ended 30 June 2015 (for the six months ended 30 June 2014: RMB815,000,000).

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

12 INTEREST IN ASSOCIATES

| | As at 30 June 2015 Million | As at 31 December 2014 Million |
|-----------------------------------|-------------------------------------|---|
| Share of net assets of associates | | |
| – Unlisted companies | 3,339 | 3,954 |
| – Listed companies | 68,062 | 66,490 |
| | 71,401 | 70,444 |

The fair values of the interests in Shanghai Pudong Development Bank Co., Ltd. (“SPD Bank”), IFLYTEK Co., Ltd. (“IFLYTEK”) and True Corporation Public Company Limited (“True Corporation”) are disclosed as follows:

| | As at 30 June 2015 | | As at 31 December 2014 | |
|-------------------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|
| | Carrying amount Million | Fair value Million | Carrying amount Million | Fair value Million |
| Interest in listed associates | | | | |
| – SPD Bank | 61,096 | 63,273 | 59,554 | 58,535 |
| – IFLYTEK | 1,433 | 6,261 | 1,432 | 3,184 |
| – True Corporation | 5,533 | 9,291 | 5,504 | 9,205 |
| | 68,062 | 78,825 | 66,490 | 70,924 |

The fair values of interest in SPD Bank, IFLYTEK and True Corporation are based on quoted market prices (level 1: quoted price (unadjusted) in active markets) at the balance sheet date without any deduction for transaction costs. As at 30 June 2015, the fair value of the Group’s interest in each listed associate was above its carrying amount.

The Group’s interest in unlisted associate primarily comprise of the interest in China Tower Corporation Limited (“Tower Company”). For the six months ended 30 June 2015, Tower Company has been in the initial stage of operation.

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

13 RESTRICTED BANK DEPOSITS

| | Note | As at 30 June 2015 | | As at 31 December 2014 | | |
|------------------------------|------|-------------------------------|------------------|-------------------------------|---------------------------|------------------|
| | | Non-current assets Million | Total Million | Non-current assets Million | Current assets Million | Total Million |
| Restricted bank deposits | | | | | | |
| – Statutory deposit reserves | (i) | 5,336 | 5,336 | 8,666 | – | 8,666 |
| – Pledged bank deposits | (ii) | 48 | 48 | 65 | 695 | 760 |
| | | 5,384 | 5,384 | 8,731 | 695 | 9,426 |

Note:

- (i) The statutory deposit reserves are deposited by China Mobile Finance Company Limited (“China Mobile Finance”) with the People’s Bank of China (“PBOC”) as required, which are not available for use in the Group’s daily operations.
- (ii) Non-current pledged bank deposits are primarily related to the performance bonds issued by banks in favor of the Office of the Communications Authority of Hong Kong, in order to secure China Mobile Hong Kong Company Limited’s due performance of network and service rollout requirement in or before 2017 and 2018, respectively.

14 ACCOUNTS RECEIVABLE

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

| | As at 30 June 2015 Million | As at 31 December 2014 Million |
|----------------|-------------------------------------|---|
| Within 30 days | 9,541 | 9,963 |
| 31-60 days | 2,386 | 2,184 |
| 61-90 days | 1,718 | 1,161 |
| Over 90 days | 4,729 | 3,032 |
| | 18,374 | 16,340 |

Accounts receivable primarily comprise receivables from customers and telecommunications operators. Accounts receivable from the provision of telecommunications services to customers are mainly due for payment within one month from date of billing. Customers with balances that are overdue or exceed credit limits are required to settle all outstanding balances before any further telecommunications services can be provided. The increase of accounts receivable over 90 days is mainly due to receivables arising from other telecommunications operators and certain corporate customers that are within credit term.

Accounts receivable are expected to be recovered within one year.

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

15 OTHER RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS

Other receivables primarily comprise interest receivable from banks, utilities deposits, and rental deposits, which are expected to be recovered within one year.

Prepayments and other current assets primarily consist of rental prepayments.

As at 30 June 2015 and 31 December 2014, there were no significant overdue amounts for other receivables.

16 AMOUNTS DUE FROM/TO ULTIMATE HOLDING COMPANY

Amount due from ultimate holding company is unsecured, interest free, repayable on demand and arising in the ordinary course of business.

As at 30 June 2015, amount due to ultimate holding company primarily comprises the short-term deposits of CMCC in China Mobile Finance and the interest payable arising from the deposits. The deposits are unsecured and carry interest at prevailing market rate.

17 AVAILABLE-FOR-SALE FINANCIAL ASSETS

| | As at 30 June 2015 Million | As at 31 December 2014 Million |
|--|-------------------------------------|---|
| Wealth management products issued by banks | 6,487 | 2,000 |

The available-for-sale financial assets represent wealth management products issued by banks. These wealth management products will mature within one year with variable return rates indexed to the performance of underlying assets. As at 30 June 2015, the carrying amount approximated the fair value (level 3: inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs)). The fair values are based on cash flow discounted using the judgement that expected return will be obtained upon maturity.

18 BANK DEPOSITS

Bank deposits represent term deposits with banks with original maturity exceeding three months. The applicable interest rate is determined in accordance with the benchmark interest rate published by PBOC.

19 CASH AND CASH EQUIVALENTS

| | As at 30 June 2015 Million | As at 31 December 2014 Million |
|--|-------------------------------------|---|
| Bank deposits with original maturity within three months | 40,863 | 27,421 |
| Cash at banks and in hand | 59,970 | 39,323 |
| | 100,833 | 66,744 |

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

20 ACCOUNTS PAYABLE

Accounts payable primarily include payables for network expansion projects expenditure, maintenance and interconnection expenses.

The aging analysis of accounts payable is as follows:

| | As at 30 June 2015 Million | As at 31 December 2014 Million |
|---|-------------------------------------|---|
| Due within 1 month or on demand | 163,283 | 193,595 |
| Due after 1 month but within 3 months | 17,597 | 13,465 |
| Due after 3 months but within 6 months | 8,892 | 6,095 |
| Due after 6 months but within 9 months | 5,261 | 3,363 |
| Due after 9 months but within 12 months | 9,017 | 6,985 |
| | 204,050 | 223,503 |

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

21 INTEREST-BEARING BORROWINGS

| | As at 30 June 2015 Million | As at 31 December 2014 Million |
|-------|-------------------------------------|---|
| Bonds | 4,993 | 4,992 |

As at 30 June 2015 and 31 December 2014, the bonds represent the balance of fifteen-year guaranteed bonds issued by China Mobile Group Guangdong Co., Ltd., a subsidiary of the Company, with a principal amount of RMB5,000,000,000, at an issue price equal to the face value of the bonds. The bonds are unsecured and bear interest at the rate of 4.5% per annum which is payable annually. The bonds, redeemable at 100% of the principal amount, will mature on 28 October 2017.

The Company has issued a joint and irrevocable guarantee (the "Guarantee") for the performance of the bonds. CMCC, the ultimate holding company, has also issued a further guarantee in relation to the performance by the Company of its obligations under the Guarantee.

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

22 SHARE CAPITAL

Issued and fully paid:

| | Number of shares | HK\$ million | Equivalent RMB million |
|---|------------------|--------------|------------------------|
| As at 1 January 2015 | 20,438,426,514 | 380,590 | 400,737 |
| Shares issued under share option scheme | 36,601,393 | 1,652 | 1,376 |
| As at 30 June 2015 | 20,475,027,907 | 382,242 | 402,113 |

The outstanding options were as follows:

| | Number of instruments | | Vesting conditions | Contractual life of options |
|---|-----------------------|------------------------|---|-----------------------------|
| | As at 30 June 2015 | As at 31 December 2014 | | |
| Options granted to directors | | | | |
| – on 8 November 2005 | 2,681,500 | 2,881,500 | 40% one year from the date of grant, 30% two years from the date of grant, 30% three years from the date of grant | 10 years |
| Options granted to other employees | | | | |
| – on 8 November 2005 | 6,950,529 | 43,351,922 | 40% one year from the date of grant, 30% two years from the date of grant, 30% three years from the date of grant | 10 years |
| Total share options | 9,632,029 | 46,233,422 | | |

No share options were granted to the directors of the Company or other employees of the Group or lapsed during the six months ended 30 June 2015 and 2014.

During the six months ended 30 June 2015, the directors of the Company and other employees of the Group exercised options to subscribe for 200,000 and 36,401,393 ordinary shares of the Company, respectively (for the six months ended 30 June 2014: nil and 209,863,244 ordinary shares respectively).

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

22 SHARE CAPITAL (CONTINUED)

Details of share options exercised during the six months ended 30 June 2015:

| Grant date | Exercise price | Weighted average closing price per share of the share options exercised | Proceeds received | Number of shares involved in the options |
|-----------------|----------------|---|-------------------|--|
| 8 November 2005 | HK\$34.87 | HK\$98.65 | HK\$1,276,290,574 | 36,601,393 |

23 RELATED PARTY TRANSACTIONS

(a) Transactions with CMCC Group

The following is a summary of principal related party transactions entered into by the Group with CMCC and its subsidiaries (“CMCC Group”), other than transactions disclosed in note 16, for the six months ended 30 June 2015 and 2014. The majority of these transactions also constitute continuing connected transactions as defined under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

| | Note | Six months ended 30 June | |
|---|-------|--------------------------|-----------------|
| | | 2015 Million | 2014 Million |
| Telecommunications services revenue | (i) | 256 | 480 |
| Telecommunications services charges | (i) | 2,340 | 1,744 |
| Property leasing and management services charges | (ii) | 380 | 380 |
| Interconnection revenue | (iii) | 94 | 111 |
| Interconnection charges | (iii) | 191 | 221 |
| Network assets leasing revenue | (iv) | 63 | 82 |
| Network assets leasing charges | (iv) | 5,706 | 5,382 |
| Network capacity leasing charges | (iv) | 2,304 | 2,382 |
| Revenue derived from cooperation of telecommunications services | (v) | 135 | 264 |
| Charges for cooperation of telecommunications services | (v) | 1,360 | 1,258 |

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

23 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with CMCC Group (Continued)

Note:

- (i) The amounts represent telecommunications services settlement received/receivable from or paid/payable to CMCC Group for the telecommunications project planning, design and construction services, telecommunications line and pipeline construction services, telecommunications line maintenance services, and installation and maintenance services in respect of transmission towers.
- (ii) The amount represents the rental and property management fees paid/payable to CMCC Group in respect of business premises and offices, retail outlets and warehouses.
- (iii) The amounts represent settlement received/receivable from or paid/payable to CMCC Group, in respect of interconnection settlement revenue and charges.
- (iv) The amounts represent the network assets leasing settlement received/receivable from or paid/payable to CMCC Group and the TD-SCDMA network capacity charges paid/payable to CMCC Group. On 29 December 2008, the Company entered into a network capacity leasing agreement (the "Network Capacity Leasing Agreement") with CMCC Group for the provision of TD-SCDMA related services. The lease was effective from 1 January 2009 to 31 December 2009 and is automatically renewed for successive one-year periods unless otherwise notified by one party to the other party. The Group is permitted to terminate the lease by giving 60 days advance written notice to CMCC Group. No penalty will be imposed in the event of a lease termination. Pursuant to the Network Capacity Leasing Agreement, the Group leases TD-SCDMA network capacity from CMCC Group and pays leasing fees to CMCC Group. The leasing fees are determined on a basis that reflects the actual usage of CMCC Group's TD-SCDMA network capacity and compensates CMCC Group for the costs of such network capacity. At the end of the lease terms, there is no purchase option granted to the Group to purchase the leased network assets. The Group also does not bear any gains or losses in the fluctuation in the fair value of the leased network assets at the end of the lease terms. As a result, the Group does not bear the risks associated with the ownership of the leased network assets, and accordingly the Group accounts for the network assets leasing and the network capacity leasing as operating leases.
- (v) The amounts represent the services fee received/receivable from or paid/payable to CMCC Group for providing customer development services and cooperation in the provision of basic and value added telecommunications services.

(b) Amounts due from/to CMCC Group

Amounts due from/to CMCC Group, other than amounts due from/to ultimate holding company, are included in the following accounts captions summarized as follows:

| | As at 30 June 2015 Million | As at 31 December 2014 Million |
|--------------------------------------|-------------------------------------|---|
| Accounts receivable | 1,077 | 1,037 |
| Other receivables | 5 | 5 |
| Prepayments and other current assets | 76 | 146 |
| Accounts payable | 7,498 | 5,693 |
| Accrued expenses and other payables | 209 | 309 |

The amounts are unsecured, interest-free, repayable on demand/on contract terms and arise in the ordinary course of business.

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

23 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Significant transactions with associates of the Group and of CMCC Group

The Group has entered into transactions with associates over which the Group or CMCC Group can exercise significant influence. The major transactions entered into by the Group and the associates and amounts due from/to the associates are as follows:

| | As at 30 June 2015 Million | As at 31 December 2014 Million |
|-------------------------------------|-------------------------------------|---|
| Bank deposits | 40,911 | 42,660 |
| Available-for-sale financial assets | 5,683 | 1,000 |
| Interest receivable | 656 | 934 |
| Accounts payable | 579 | 513 |

| | | Six months ended 30 June | |
|--|-------|--------------------------|-----------------|
| | Note | 2015 Million | 2014 Million |
| Interest income | (i) | 667 | 876 |
| Mobile telecommunications services revenue | (ii) | 73 | 53 |
| Mobile telecommunications services charges | (iii) | 389 | 806 |
| Dividend income | | 2,842 | 2,476 |

Note:

- (i) Interest income represents interest earned from deposits placed with SPD Bank. The applicable interest rate is determined in accordance with the benchmark interest rate published by PBOC.
- (ii) The amount represents the mobile telecommunications services revenue received/receivable from SPD Bank.
- (iii) The amount represents the mobile telecommunications services charges paid/payable to Union Mobile Pay Co., Ltd., an associate of CMCC Group.

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

23 RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Transactions with other government-related entities in the PRC

The Group is a government-related enterprise and operates in an economic regime currently dominated by entities directly or indirectly controlled by the PRC government through government authorities, agencies, affiliations and other organisation (collectively referred to as “government-related entities”).

Apart from transactions with CMCC Group (note 16 and 23(a)) and associates (note 23(c)), the Group has collectively, but not individually, significant transactions with other government-related entities which include but not limited to the following:

- rendering and receiving telecommunications services, including interconnection revenue/charges
- purchasing of goods, including use of public utilities
- placing of bank deposits

These transactions are conducted in the ordinary course of the Group’s business on terms comparable to the terms of transactions with other entities that are not government-related. The Group prices its telecommunications services and products in accordance with rules and regulations stipulated by related authorities of the PRC Government, where applicable, or based on commercial negotiations. The Group has also established its procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

24 FAIR VALUES

All financial instruments are carried at amounts not materially different from their fair values at the balance sheet dates except as follow:

| | As at 30 June 2015 | | As at 31 December 2014 | |
|-------------------------------------|----------------------------|-----------------------|----------------------------|-----------------------|
| | Carrying amount Million | Fair value Million | Carrying amount Million | Fair value Million |
| Interest-bearing borrowings – bonds | 4,993 | 5,075 | 4,992 | 4,951 |

The fair values of bonds are based on quoted market prices (level 1: quoted price (unadjusted) in active markets) at the balance sheet dates without any deduction for transaction costs.

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

25 COMMITMENTS

(a) Capital commitments

The Group's capital commitments at the balance sheet dates were as follows:

| | As at 30 June 2015 Million | As at 31 December 2014 Million |
|---|-------------------------------------|---|
| Commitments in respect of land and buildings | | |
| – authorized and contracted for | 9,658 | 7,547 |
| – authorized but not contracted for | 30,277 | 32,498 |
| | 39,935 | 40,045 |
| Commitments in respect of telecommunications equipment | | |
| – authorized and contracted for | 31,801 | 24,607 |
| – authorized but not contracted for | 110,371 | 112,114 |
| | 142,172 | 136,721 |
| Total commitments | | |
| – authorized and contracted for | 41,459 | 32,154 |
| – authorized but not contracted for | 140,648 | 144,612 |
| | 182,107 | 176,766 |

INTERIM FINANCIAL INFORMATION (Continued)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

(Expressed in RMB unless otherwise indicated)

25 COMMITMENTS (CONTINUED)

(b) Operating lease commitments

The Group's total future minimum lease payments under non-cancellable operating leases at the balance sheet dates are as follows:

| | Land and buildings Million | Leased lines Million | Others Million | Total Million |
|--------------------------------------|-------------------------------|-------------------------|-------------------|------------------|
| As at 30 June 2015 | | | | |
| Within one year | 9,354 | 11,795 | 1,526 | 22,675 |
| After one year but within five years | 19,271 | 3,350 | 650 | 23,271 |
| After five years | 5,353 | 857 | 87 | 6,297 |
| | 33,978 | 16,002 | 2,263 | 52,243 |
| As at 31 December 2014 | | | | |
| Within one year | 9,733 | 9,291 | 1,043 | 20,067 |
| After one year but within five years | 18,882 | 3,822 | 1,361 | 24,065 |
| After five years | 5,853 | 953 | 69 | 6,875 |
| | 34,468 | 14,066 | 2,473 | 51,007 |

26 POST BALANCE SHEET EVENTS

After the balance sheet date, the Board of Directors proposed an ordinary interim dividend. Further details are disclosed in note 9(a).

On May 18, 2015, China Mobile Communication Company Limited ("CMC", a wholly-owned subsidiary of the Company) entered into the partnership agreement with State Development & Investment Corporation and China Mobile State Development & Investment Management Company Limited (45% of its registered capital is owned by CMCC), under which they agreed to establish China Mobile Innovative Business Fund (Shenzhen) Partnership (Limited Partnership) ("China Mobile Innovative Business Fund"). The purpose of establishing China Mobile Innovative Business Fund is to utilize and take advantage of the strengths and the resources of the parties to China Mobile Innovative Business Fund; to invest in shares, equity interests, businesses and assets of companies, enterprises or other economic organizations with growth potential which are engaged in the mobile internet and related upstream and downstream businesses, and to seek favorable opportunities to exit by appropriate means, thereby achieving favorable investment returns for the partners of China Mobile Innovative Business Fund. Pursuant to the terms of the partnership agreement, upon the establishment of China Mobile Innovative Business Fund, CMC will subscribe for RMB1.5 billion in cash, which represents 58.8% of equity interest of China Mobile Innovative Business Fund. By the date when the unaudited condensed consolidated interim financial information is approved and authorized for issuance, the subscription has not completed.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



To the Board of Directors of China Mobile Limited
(Incorporated in Hong Kong with limited liability)

羅兵咸永道

INTRODUCTION

We have reviewed the condensed interim financial information set out on pages 9 to 32, which comprises the condensed consolidated balance sheet of China Mobile Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2015 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof, and to be in compliance with either International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board or Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants, depending on whether the issuer’s annual financial statements are prepared in accordance with International Financial Reporting Standards (“IFRSs”) or Hong Kong Financial Reporting Standards (“HKFRSs”) respectively. As the annual financial statements of the Group are prepared in accordance with both IFRSs and HKFRSs, the directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with both IAS 34 and HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting” and Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 August 2015

DISCUSSION OF SELECTED ITEMS IN THE INTERIM RESULTS

1. ENDEAVORED TO CONSTRUCT QUALITY 4G NETWORK AND CONSOLIDATED THE LEADING ADVANTAGES IN 4G NETWORK

In the first half of 2015, in order to further consolidate its leading advantages in quality 4G network and effectively support the rapid development of data traffic business, the Group actively promoted the construction, coordination and planning of quality 4G network, optimized network capacities in various areas, and continued to maintain its proper scale of investment in network construction while building on its sound capital planning. The Group's capital expenditure for the first half of 2015 was RMB69.7 billion, representing 23.3% of revenue from telecommunications services, which was funded primarily by cash generated from operations.

The Group will strive to maintain a balance between short-to-mid-term operating results and the Group's long-term core competitiveness. The Group is committed to rational investment, closely monitoring the effectiveness of capital expenditure and maintaining a favorable level of return from assets.

2. DEEPENED THE PROMOTION OF COSTS REDUCTION AND EFFICIENCY INCREASE IN ORDER TO SUPPORT THE LONG-TERM SUSTAINABLE HEALTHY DEVELOPMENT

In the first half of 2015, the Group's operating expenses was RMB278.2 billion, up 6.1% over the same period last year and representing 81.7% of the operating revenue. At the key stage of transformation of development and the construction and operation of 4G network, the Group adhered to the principle of "forward-looking planning, effective resource allocation, rational investment and refined management", invested resources in fields which are beneficial to increasing core competitiveness and facilitating long-term sustainable healthy development, and maximized synergies from resources by optimizing utilization and efficiency.

In relation to asset expenses, costs relating to depreciation, maintenance and utilities expenses continued to increase rapidly due to large remnant asset scale and increasing resources prices.

In relation to marketing expenses, the Group further promoted transformation of marketing and sales model, appropriately reduced the selling expenses, optimized the selling expenses structure and endeavored to accomplish precision marketing, thereby achieving a significant improvement in marketing and sales efficiency.

In relation to personnel expenses, the Group adjusted and optimized personnel structure pursuant to relevant government laws and regulations. The total number of employees and outsourcing labor decreased and the growth in the relevant expenses slowed down. As of 30 June 2015, the total number of employees and outsourcing labor of the Group was 461,000. Employee benefit and related expenses for the first half of 2015 were RMB34.0 billion, representing 10.0% of the operating revenue.

In relation to administrative expenses, the Group continued to implement strict control over office, conference, business travel expenses and other administrative expenses. The Group also fostered a favorable cost optimization culture and enhanced its low-cost and highly efficient operations by streamlining management processes and actively promoting cost benchmarking measures and best practices.

DISCUSSION OF SELECTED ITEMS IN THE INTERIM RESULTS (Continued)

3. CONTINUED TO MAINTAIN HEALTHY CASH FLOW AND CAPITAL STRUCTURE

Amidst the complex operation environment and intense investment pressure, the Group continued to maintain healthy cash flow as a result of stable and favorable growth in business operations and revenue, refined cost control and the continuous effect of economies of scale. Free cash flow (net cash generated from operating activities after deduction of capital expenditure incurred) of the Group was RMB57.3 billion for the six months ended 30 June 2015. As of 30 June 2015, the Group's total cash and bank balances were RMB456.4 billion, of which 99.2%, 0.1% and 0.7% were denominated in RMB, U.S. dollar and Hong Kong dollar, respectively.

As of 30 June 2015, the Group's total debt to book capitalization ratio (with total book capitalization representing the sum of total debt and total equity attributable to equity shareholders) was approximately 0.6%, and the borrowings of the Group totaled RMB5.1 billion. The financial position of the Group continued to remain at a sound level. Approximately 1.3% of the Group's borrowings were made at floating interest rates. The effective annual average interest rate of the borrowings of the Group was approximately 4.51% in the first half of 2015.

The Group will consistently uphold prudent financial principles and strictly monitor and control financial risks in order to maintain a healthy cash flow generating capability and preserve and enhance value capability. In addition, the Group will focus on scientific resource allocation and endeavor to maintain a solid structure and level of debt and reinforce and develop favorable economic benefits in order to continuously create value for its shareholders.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short positions of the directors in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers are set out below.

Certain directors of the Company personally held ordinary shares of the Company. Details of the directors' holding of ordinary shares of the Company as at 30 June 2015 are as follows.

| Directors | Capacity | Ordinary shares held |
|------------------------|------------------------------------|----------------------|
| LO Ka Shui | Beneficial owner | 400,000 |
| | Interest of controlled corporation | 300,000 |
| Frank WONG Kwong Shing | Beneficial owner | 150,000 |
| Moses CHENG Mo Chi | Beneficial owner | 200,000 |

Certain directors of the Company personally hold options to subscribe for ordinary shares of the Company. Details of such options are disclosed under the paragraph "Directors', chief executive's and employees' rights to acquire shares" below. The share options were granted pursuant to the terms of the share option scheme adopted by the Company.

Apart from those disclosed herein, as at 30 June 2015, none of the directors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) that is required to be recorded and kept in the register in accordance with section 352 of the SFO or any interests required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' RIGHTS TO ACQUIRE SHARES

Apart from those disclosed below, at no time during the six months ended 30 June 2015 was the Company, any of its holding companies or subsidiaries, a party for any arrangement to enable the directors or chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share option scheme of the Company

Pursuant to a resolution passed at the annual general meeting held on 24 June 2002, a share option scheme (the "Scheme") was adopted. The Scheme shall be valid and effective for a period of 10 years commencing on its adoption date after which period no further options to subscribe for shares of the Company will be granted. The Scheme ceased to be valid and effective on 24 June 2012 and accordingly, no further share options will be granted under the Scheme. Accordingly, during the six months ended 30 June 2015, no share option was granted or cancelled under the Scheme. However, the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted under the Scheme prior to the expiry of the 10-year period and which may become thereafter capable of being exercised under the rules of the Scheme.

As at 30 June 2015, the directors and chief executive of the Company and employees of the Group had the following personal interests in options to subscribe for shares of the Company granted under the Scheme.

OTHER INFORMATION (Continued)

DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' RIGHTS TO ACQUIRE SHARES (CONTINUED)

Share option scheme of the Company (Continued)

| | No. of shares involved in the options outstanding at the beginning of the period | No. of shares involved in the options outstanding at period end | Date on which options were granted | No. of shares involved in the options lapsed during the period | No. of shares acquired on exercise of options during the period | Exercise price HK\$ |
|--------------------|--|---|------------------------------------|--|---|---------------------|
| Directors | | | | | | |
| LI Yue | 780,000 | 780,000 | 8 November 2005 | – | – | 34.87 |
| XUE Taohai | 780,000 | 780,000 | 8 November 2005 | – | – | 34.87 |
| SHA Yuejia | 780,000 | 780,000 | 8 November 2005 | – | – | 34.87 |
| LIU Aili | 141,500 | 141,500 | 8 November 2005 | – | – | 34.87 |
| Moses CHENG Mo Chi | 400,000 | 200,000 | 8 November 2005 | – | 200,000 | 34.87 |
| Employees | 43,351,922 | 6,950,529 | 8 November 2005 | – | 36,401,393 | 34.87 |
| | | 9,632,029 (Note (a)) | | | | |

Notes:

- (a) The total number of shares involved in the options outstanding at period end represents 0.05% of the issued share capital of the Company as at the date of this report.
- (b) Particulars of share options:

| Date of grant | Exercise period |
|-----------------|---|
| 8 November 2005 | 8 November 2006 to 7 November 2015 (in respect of 40% of the options granted) 8 November 2007 to 7 November 2015 (in respect of 30% of the options granted) 8 November 2008 to 7 November 2015 (in respect of the remaining 30% of the options granted) |

OTHER INFORMATION (Continued)

DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' RIGHTS TO ACQUIRE SHARES (CONTINUED)

Share option scheme of the Company (Continued)

Details of share options exercised during the period:

| Period during which options were exercised | Exercise price HK\$ | Weighted average closing price per share immediately before dates of exercise of options HK\$ | Proceeds received HK\$ | Number of shares involved in the options |
|--|------------------------|---|------------------------------|---|
| 2 January 2015 to 5 June 2015 | 34.87 | 97.31 | 1,276,290,574 | 36,601,393 |

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The Company has been notified of the following interests in the Company's issued shares as at 30 June 2015 amounting to 5% or more of the ordinary shares in issue:

| | Ordinary shares held directly | Ordinary shares held indirectly | Percentage of total issued share capital |
|--|----------------------------------|------------------------------------|--|
| (i) China Mobile Communications Corporation ("CMCC") | – | 14,890,116,842 | 72.72% |
| (ii) China Mobile (Hong Kong) Group Limited ("CMHK (Group)") | – | 14,890,116,842 | 72.72% |
| (iii) China Mobile Hong Kong (BVI) Limited ("CMHK (BVI)") | 14,890,116,842 | – | 72.72% |

Note: In light of the fact that CMCC and CMHK (Group) directly or indirectly control one-third or more of the voting rights in the shareholders' meetings of CMHK (BVI), in accordance with the SFO, the interests of CMHK (BVI) are deemed to be, and have therefore been included in, the interests of CMCC and CMHK (Group).

Apart from the foregoing, as at 30 June 2015, no person or corporation had any interest in the share capital of the Company as recorded in the register required to be kept under section 336 of the SFO as having an interest in 5% or more of or any short position in the issued share capital of the Company.

CHANGES IN DIRECTOR'S BIOGRAPHICAL DETAILS

Changes in director's biographical details since the date of the 2014 annual report of the Company is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Mr. Paul Chow Man Yiu has been appointed as an independent non-executive director of Julius Baer Group Ltd. and Bank Julius Baer & Co. Ltd. with effect from 15 April 2015.

Mr. Frank Wong Kwong Shing is no longer an independent non-executive director of Industrial and Commercial Bank of China Limited with effect from 20 April 2015.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

OTHER INFORMATION (Continued)

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

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters, including the review of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2015.

COMPLIANCE WITH THE CODE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

For the six months ended 30 June 2015, the Company complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except that the Company and its directors (including independent non-executive directors) have not entered into any service contract with a specified term. All directors are subject to retirement by rotation and re-election at our AGMs every three years.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules to regulate the directors' securities transactions. All directors have confirmed, following enquiry by the Company, that they had complied with the required standard set out in the Model Code throughout the period from 1 January 2015 to 30 June 2015.

CLOSURE OF REGISTER OF MEMBERS

The Board declared an interim dividend for the six months ended 30 June 2015 of HK\$1.525 per share (before withholding and payment of PRC enterprise income tax) (the "2015 Interim Dividend") to the shareholders of the Company.

The register of members of the Company will be closed from Wednesday, 9 September 2015 to Friday, 11 September 2015 (both days inclusive). During this period, no transfer of shares will be registered. In order to qualify for the 2015 Interim Dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 8 September 2015. The 2015 Interim Dividend will be paid on or about Wednesday, 30 September 2015 to those shareholders on the register of members on Friday, 11 September 2015 (the "Record Date").

WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISES IN RESPECT OF 2015 INTERIM DIVIDEND

Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" (the "Enterprise Income Tax Law"), the "Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People's Republic of China" and the "Notice regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management", the Company is required to withhold and pay 10 per cent. enterprise income tax on the distribution of the 2015 Interim Dividend to its non-resident enterprise shareholders. The withholding and payment obligation lies with the Company. In respect of all shareholders whose names appear on the Company's register of members as at the Record Date who are not individuals (including HKSCC Nominees Limited ("HKSCC"), corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as non-resident enterprise shareholders), the Company will distribute the 2015 Interim Dividend after deducting enterprise income tax of 10 per cent.. The Company will not withhold and pay the income tax in respect of the 2015 Interim Dividend payable to any natural person shareholders whose names appear on the Company's register of members as at the Record Date. Investors who invest in the shares in the Company listed on the Main Board of The Stock Exchange of Hong Kong Limited through the Shanghai Stock Exchange (the Shanghai-Hong Kong Stock Connect investors) are investors who hold shares through HKSCC and in accordance with the above requirements, the Company will pay to HKSCC the amount of the 2015 Interim Dividend after withholding for payment the 10 per cent. enterprise income tax.

OTHER INFORMATION (Continued)

WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISES IN RESPECT OF 2015 INTERIM DIVIDEND (CONTINUED)

If any resident enterprise (as defined in the Enterprise Income Tax Law) listed on the Company's register of members which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire to have the Company withhold and pay the said 10 per cent. enterprise income tax, it shall lodge with Hong Kong Registrars Limited documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the dividend to which it is entitled at or before 4:30 p.m. on Tuesday, 8 September 2015.

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

FORWARD-LOOKING STATEMENTS

Certain statements contained in this announcement may be viewed as "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") and in the Company's other filings with the SEC.



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