

2019 Annual Results

2020.03.19

5G⁺



未來無限可能
Infinite Future

Forward-looking Statement

Certain statements contained in this document 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 China Mobile Limited (the “Company”) to be materially different from those implied by such forward-looking statements. In addition, we do not intend to update these 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 and other filings with the U.S. Securities and Exchange Commission.

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Overall Results

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01

Overall Results

Mr. YANG Jie

Executive Director & Chairman

- 1 Proactively overcame headwinds; obtained positive momentum in operating results**
- 2 Continuously drove business transformation and upgrade; value-driven operating practices generated initial results**
- 3 Focused on advance planning and targeted investments; steadfastly strengthened basic capabilities**
- 4 Forged ahead with the “5G+” Plan; 5G development achieved a good start**
- 5 Further enhanced management competence; achieved breakthroughs in reforms and innovation**
- 6 Strove to become world-class by building a dynamic “Powerhouse”; continuously creating value for shareholders**

Key Performance Indicators

| (RMB Mil) | 2018 | 2019 | Changes |
|---------------------------------------|----------------|----------------|--------------|
| Operating revenue | 736,819 | 745,917 | 1.2% |
| of which: service revenue | 670,907 | 674,392 | 0.5% |
| EBITDA | 275,541 | 295,967 | 7.4% |
| EBITDA margin | 37.4% | 39.7% | 2.3pp |
| EBITDA as % of service revenue | 41.1% | 43.9% | 2.8pp |
| Net profit | 117,781 | 106,641 | -9.5% |
| Net profit margin | 16.0% | 14.3% | -1.7pp |
| Basic earnings per share (RMB) | 5.75 | 5.21 | -9.5% |

Note: Unless otherwise specified,

1. Service revenue = operating revenue-revenue from sales of products and others; Revenue from sales of products and others mainly comprises sales of terminal products such as handsets
2. EBITDA = profit from operations + depreciation and amortisation; Net profit refers to profit attributable to equity shareholders of the Company
3. The Company has applied the new accounting standard on leases (IFRS/HKFRS 16) starting 2019. Please refer to Appendix I for its impact

Proactively Overcame Headwinds; Obtained Positive Momentum in Operating Results

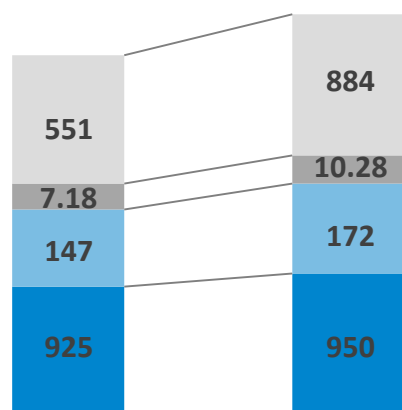
Continuous expansion
of customer base

Turnaround in
service revenue growth rate

Net profit decline rate
significantly narrowed

Customer base (Mil)

■ Mobile customers ■ Household customers
■ Corporate customers ■ IoT customers



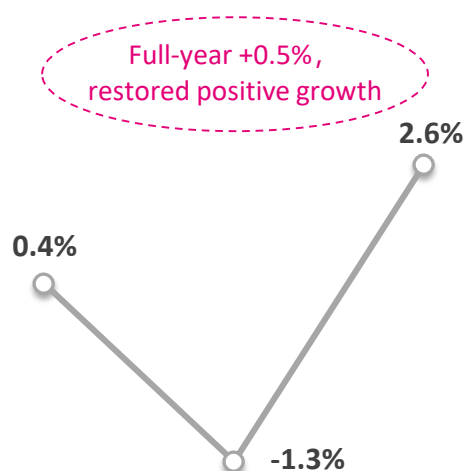
2018

2019

Made continuous improvements
on service quality with a focus
on customers



YoY growth in service revenue (%)



2018

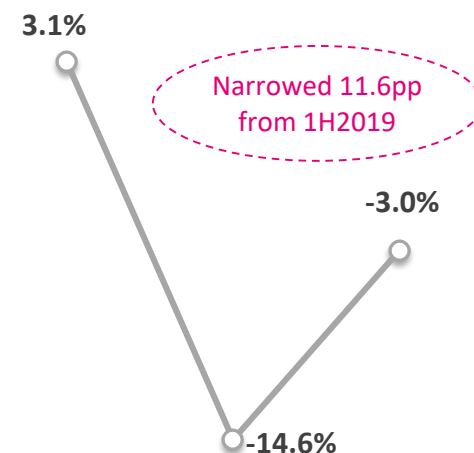
1H2019

2H2019

Spearheaded development of
CHBN "four growth engines"
at full strength



YoY growth in net profit (%)



2018

1H2019

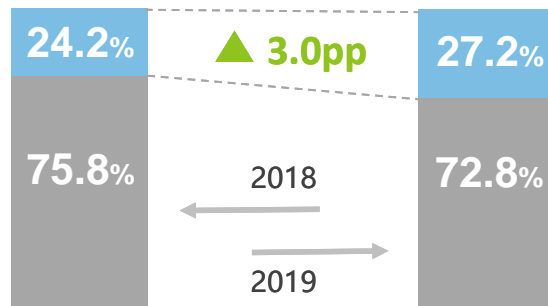
2H2019

Took measures to boost
revenue and reduce costs,
achieving industry-leading
net profit margin



Continuously Drove Business Transformation and Upgrade; Value-driven Operating Practices Generated Initial Results

Further refined revenue structure



■ "Customer" market (C) ■ "Home" market (H), "Business" market (B) & "New" market (N)

Expediting business convergence, new drivers displaying continuous growth



Full business bundling rate

82.7% ▲ 33pp



Revenue from DICT*

RMB26.1 bil ▲ 48.3%



Revenue from Int'l business

RMB9.5 bil ▲ 31.4%

Convergence



Integration

Digitisation

Accelerating integrated development, building centralised platforms

Share of traditional channel commission

▼ 11pp

Gain in 2B2C high-value individual customers

> 23.56 mil

Centralised big data platforms storing all data from B/M/O support systems

Building up smart mid-end platforms, promoting smart operations

Precision marketing success rate

▲ 1.2x

Proprietary new-generation customer service system enabling continuous enhancements to smart customer service capabilities

Centralised AI R&D platforms supporting a range of internal AI projects

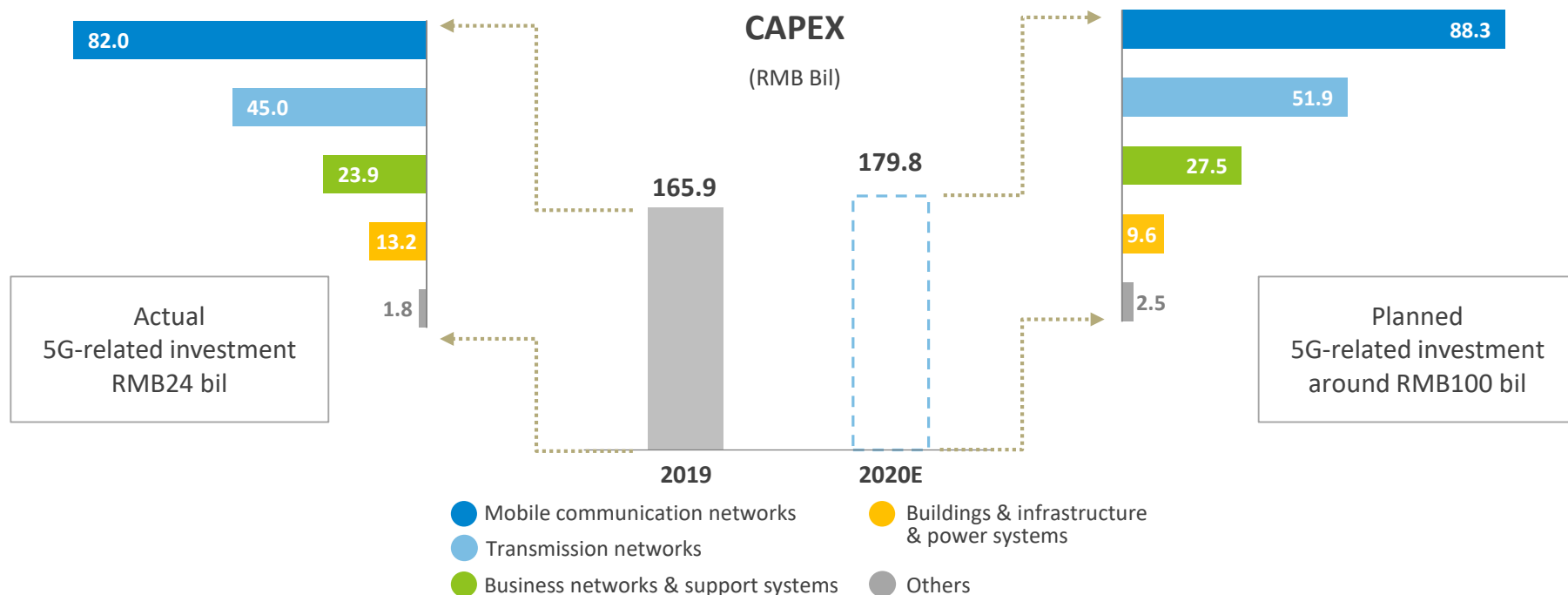
Focused on Advance Planning and Targeted Investments; Steadfastly Strengthened Basic Capabilities

2019

- Fostered rapid growth of 5G industry chain and established 5G first-mover advantages
- Bolstered core competitive strengths of the 4G network and significantly enhanced customer experience
- Achieved critical progress in NFV construction and remarkably expanded the scale of SDN application
- Actively promoted Mobile Cloud and IT Cloud deployment and strengthened Cloud capabilities
- Made targeted investments and optimised investment structure

2020E

- Accelerate SA maturity and actively promote 5G network construction
- Continue to promote cloud-network integration and build strategic infrastructure including Mobile Cloud, Network Cloud and IT Cloud
- Focus on key development areas and concerns of “four growth engines” and provide stronger support
- Practise strict investment discipline and strive to achieve higher investment efficiency





Forged Ahead with the “5G+” Plan



5G+4G

Coordinated development

Built and operated **>50 K** 5G BTS

5G commercialisation in **50** cities



5G+AICDE*

Integrated & joint innovations

Developed **>200** critical capabilities

Breakthroughs in **>100** 5G joint innovation projects



5G+Eco

Collaborative ecology cultivation

Joined hands with **>1,900** industry partners

Launched **32** 5G devices

2.6GHz and 3.5GHz industry chains enjoyed comparable maturity level in general



Launched exclusive 5G packages and feature services

Implemented 5G + Cloud + DICT industry application demo projects

Led **61** 5G key projects on 5G international standards formulation,
Own **>2,000** 5G patents,
Promoted continuous advancement of SA international standards

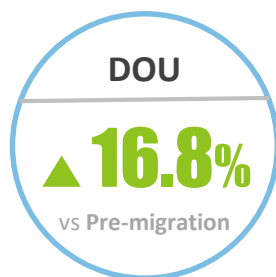
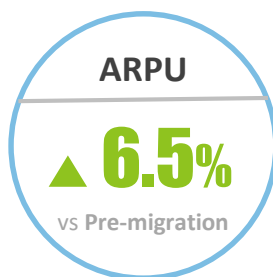


Engaging with the Industries, Serving the Mass Market; 5G Development Achieved a Good Start



Maintained leadership
in the mass market

As at the end of February 2020,
5G package customers >15 mil



Established demonstrative
showcases in the vertical market

Implemented 50 group-level applications

Deep-dived into classic manufacturing scenarios,
actively extended footprints in a range of industries



Industry



Agriculture



Education



Public Admin



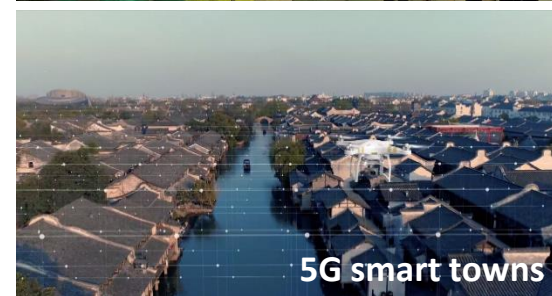
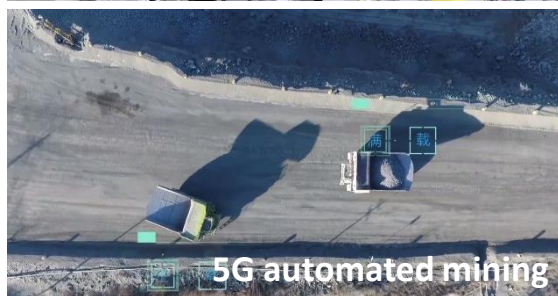
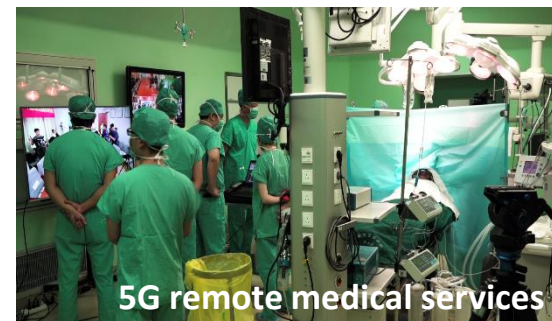
Healthcare



Transportation



Finance



Further Enhanced Management Competence; Achieved Breakthroughs in Reforms and Innovation

Facilitating all-round cloud-based business transformation

- Continued to promote cloud-network integration, rapidly boosting corresponding service capabilities
- Strove to become a first-tier cloud service provider in China in 3 years

Promoting reforms on smart family business

- Pooled competences, service platforms and businesses, constructed family ecology and enhanced value contribution

Advancing IT reforms

- Constructed smart mid-end platforms to deliver more efficient service support

Internationalising business operations

- Actively engaged in international pursuits, raised revenue contribution from international businesses

Reforms on market operations

- Built a customer-oriented market operations system that adapts to the needs of the CHBN markets, following centralised management while exploiting advantages from cross-departmental synergy and intra-company vertical integration

Reforms on “business” market operations

- Emerged as a new source of revenue growth under an operations system where different business units are well-aligned to perform distinct “commanding, supporting and competing” roles

Reforms on network operations

- Followed a centralised management system for the entire network, providing stronger customer support and establishing an efficient, smart, simple and synergetic network operations system

Initiating a new round of share option scheme

- Bettered a mid- to long-term incentive scheme that nurtures a culture of shared interests and responsibilities

Furthering the implementation of “Double-hundred Action”

- Based on a tailor-made and “one company, one policy” approach, selected a reasonable path driving each of the three subsidiaries to establish a more market-driven operations mechanism

Building “Innovation & Entrepreneurship” demo centres

- Strengthened R&D capability on cross-sector applications and the commercial conversion of research results, contributing to the growth of the innovation ecosystem

Exploring grid operations

- Divided base-level operations into smaller grid units, better aligning responsibilities, authority and benefits, thus infusing vitality into the base layer of the Company



Capability



Collaboration

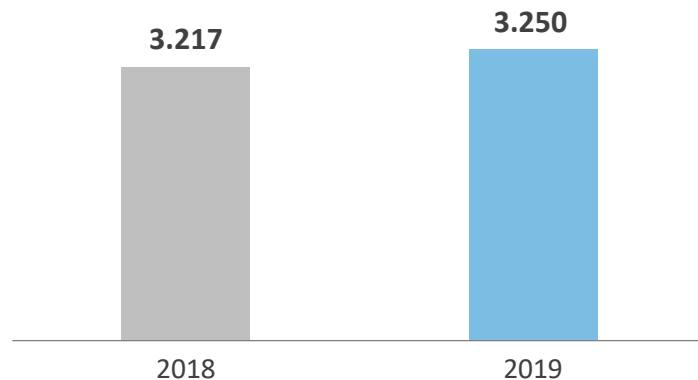


Organisational vitality

Continuously Creating Value for Shareholders

Dividend per share

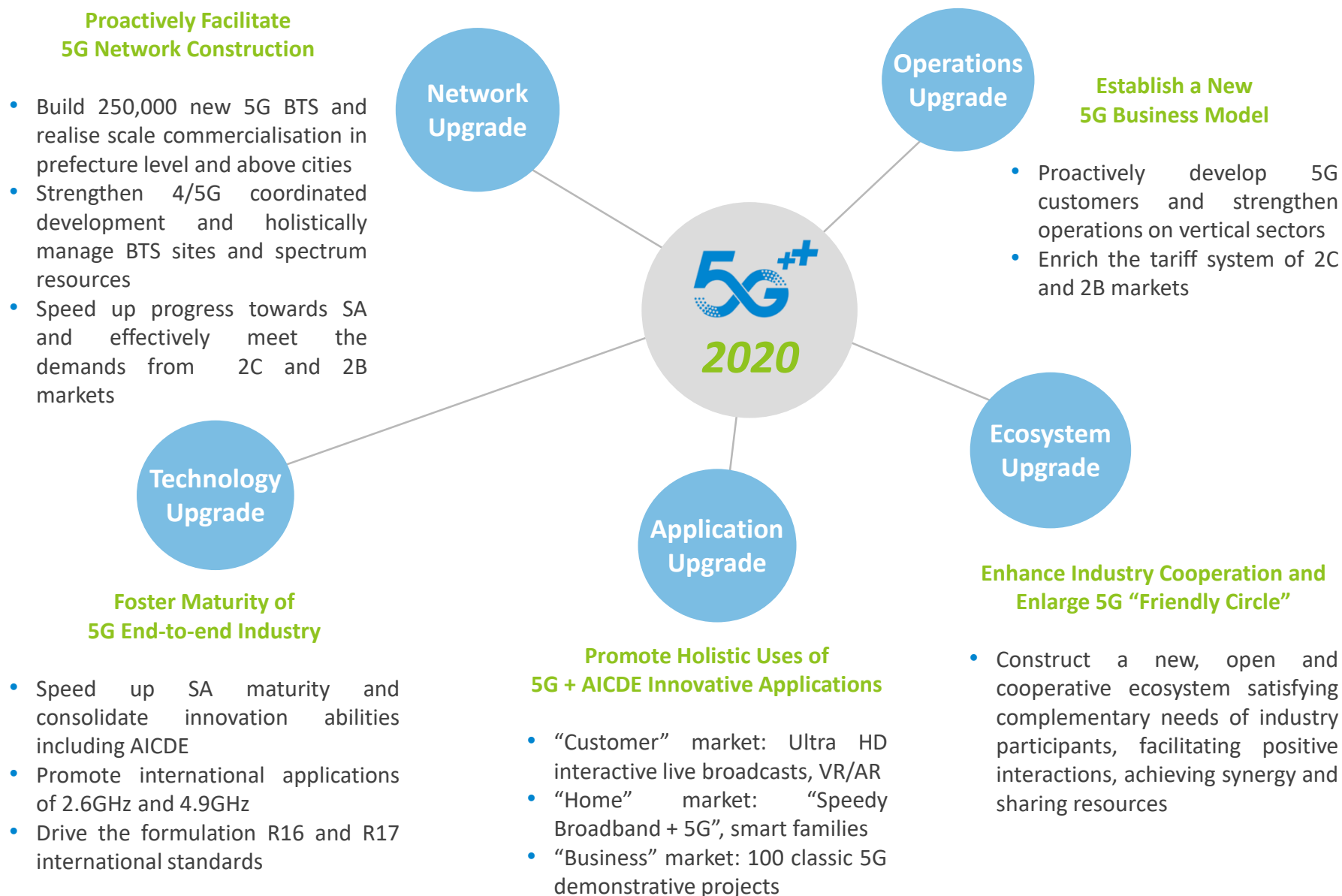
(HKD)



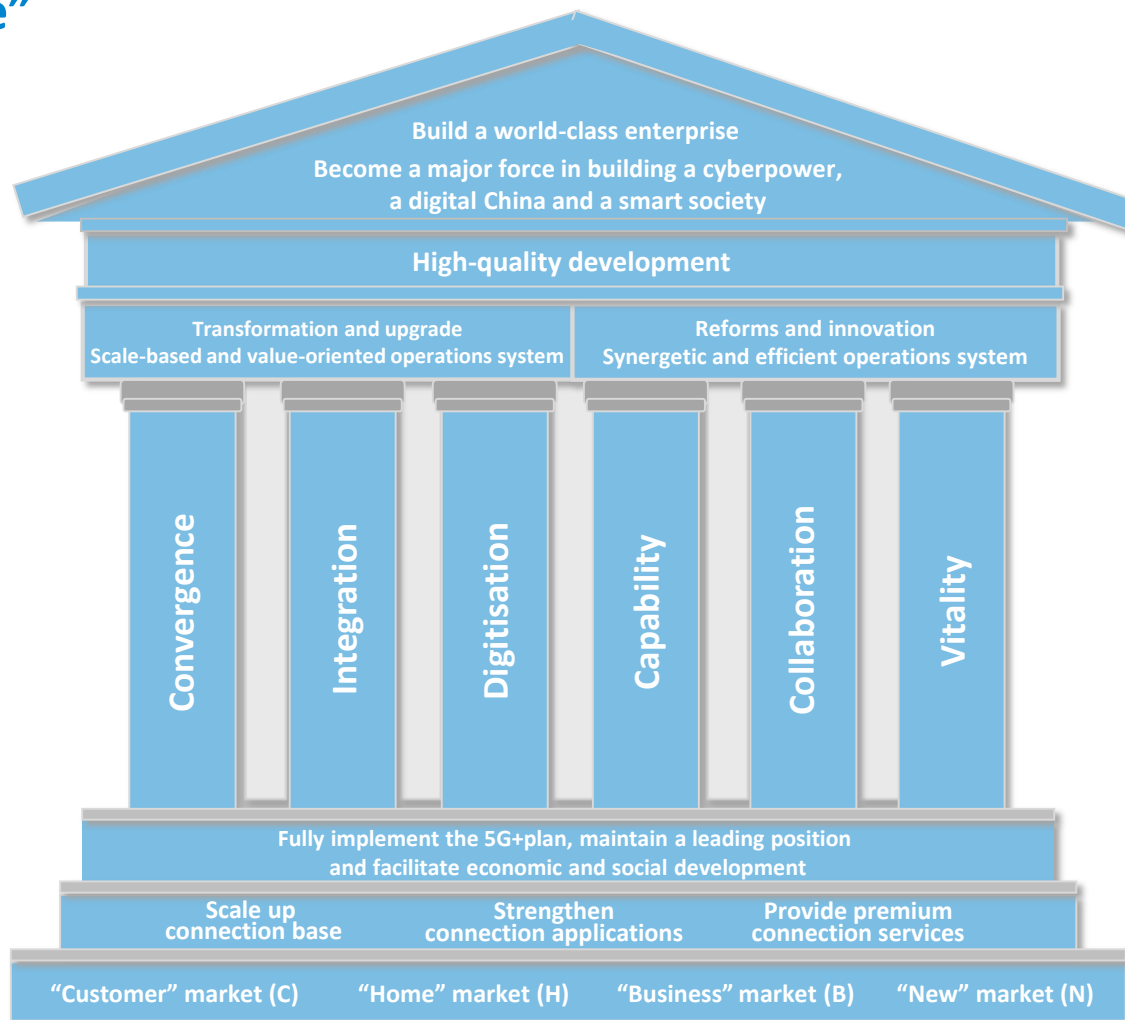
2020 dividend policy

The Company attaches great importance to shareholder returns, and will maintain a stable dividend per share for the full year of 2020, after giving overall consideration to its profitability and cash flow generation

Expedite an All-round Upgrade of the “5G+” Plan; Build up Core Competitive Strengths



Strive to Become World-class by Building a Dynamic “Powerhouse”



**2020
Targets**



Service Revenue
Strive to maintain growth



Net Profit
Strive to maintain stable



Customer Satisfaction
Strive to lead the industry

02

Operating Performance

Mr. YANG Jie

Executive Director & Chairman

Revenue Structure of the CHBN “Four Growth Engines”

| (RMB Mil) | 2019 | Change YoY ¹ | As % of revenue ² |
|-------------------------------------|----------------|-------------------------|------------------------------|
| Service revenue | 674,392 | 0.5% | 100.0% |
| C: “Customer” market revenue | 490,748 | -3.5% | 72.8% |
| of which: wireless data traffic | 374,632 | 1.7% | 55.6% |
| voice, SMS & MMS | 88,911 | -18.2% | 13.2% |
| H: “Home” market revenue | 69,323 | 27.5% | 10.3% |
| B: “Business” market revenue | 89,779 | 10.4% | 13.3% |
| of which: DICT | 26,124 | 48.3% | 3.9% |
| IoT | 8,845 | 17.5% | 1.3% |
| N: “New” market revenue | 24,542 | -8.2% | 3.6% |
| of which: International Business | 9,488 | 31.4% | 1.4% |

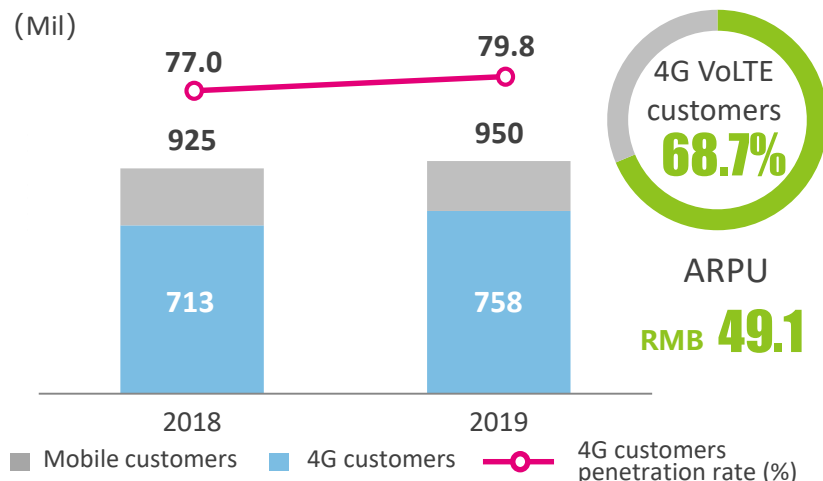
Note¹: To demonstrate the Company’s achievement in strategic transformation, an additional break-down analysis on the Company’s overall revenue according to the “Customer” (C), “Home” (H), “Business” (B) and “New” (N) “four growth engines” has been performed. Please refer to Appendix II for corresponding treatments of these break-down numbers in the financial statement

Note²: Percentage of service revenue

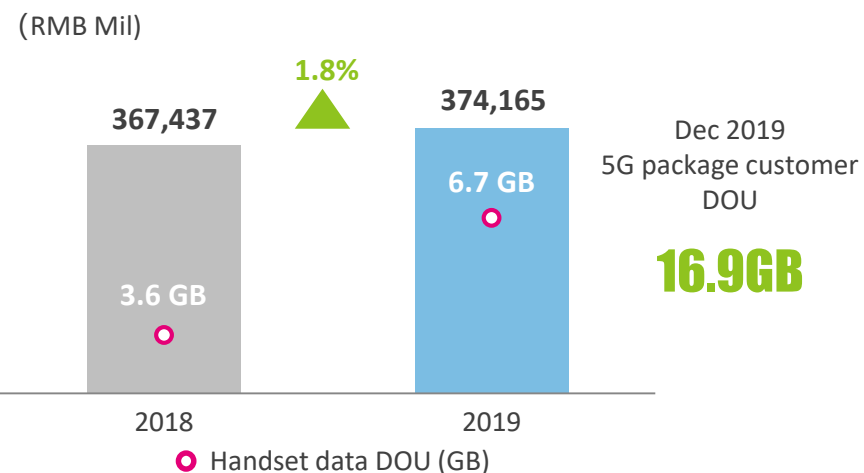
“Customer” Market

Proactively Addressed Challenges and Laid a Solid Foundation

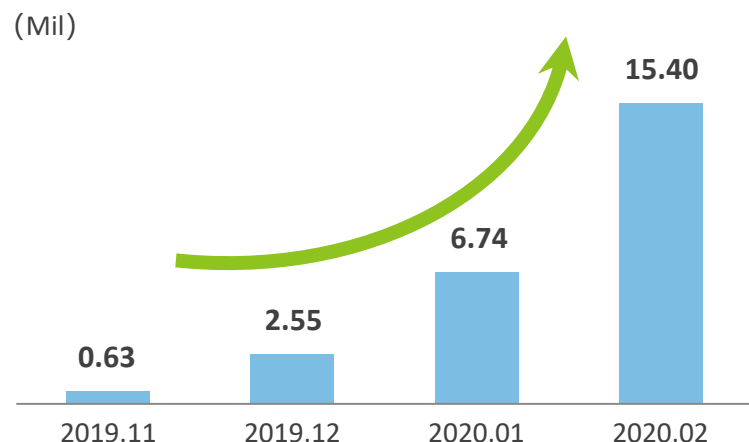
Mobile customers



Handset data revenue



5G package customers*



Note*: 5G package customers are mobile customers who have subscribed to 5G tariff plans. Customers sharing 5G tariff plans without subscription are not included

A holistic operations model to combine “data access + applications + customer benefits”

More product bundling plans resulting in a further increase in bundling rate

Focused on customers & refined the 5G tariff structure

Simplified rules with a special focus on enhancing customer experience and increasing use value

Promoted 5G personal applications and feature services

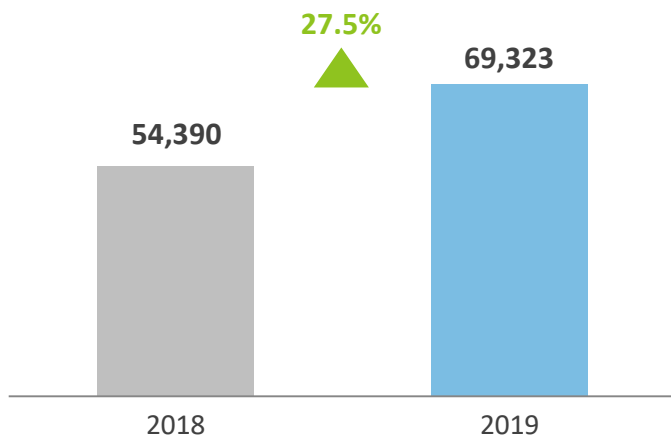
Ultra HD videos, cloud-based games, full-screen video connecting tones, etc.

“Home” Market

Crafted a Premium Brand and Delivered Robust Growth Momentum

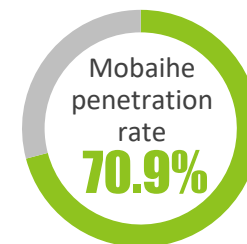
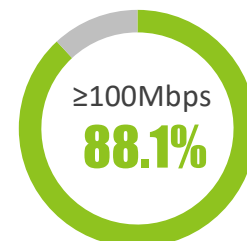
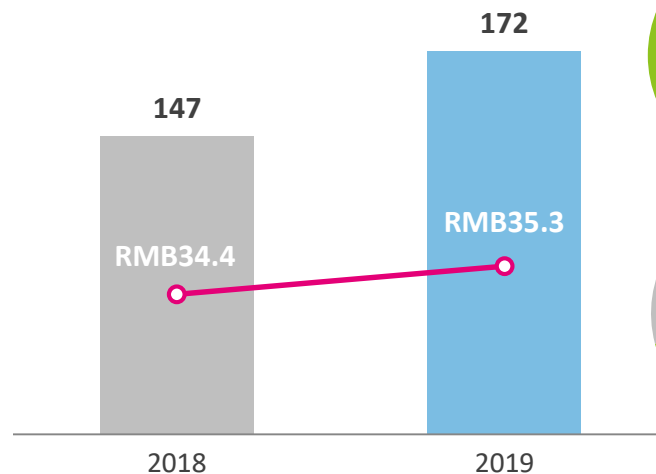
“Home” market revenue

(RMB Mil)



Household broadband customers

(Mil)



—○— Household broadband blended ARPU¹ (RMB)

- Placed a steadfast focus on **“scale expansion, brand building, ecology cultivation and value uplift”**; the “home” market maintained a rapid growth rate
- Enhanced network speed and quality; made suitable advance planning on building up Gigabit network capabilities; delivered better one-stop marketing, installation, maintenance and customer services; customer satisfaction significantly improved
- Proactively expanded the scales of “Mobaihe” (home digital set-top box), smart home network deployment and Family Cloud, etc.; fostered extensive industry cooperation; constructed a smart family ecosystem

Note¹: Household broadband blended ARPU = (household broadband revenue + household value-added revenue) / average number of household broadband customers. Household value-added revenue comprises revenues mainly from Mobaihe and “and-Mu”;

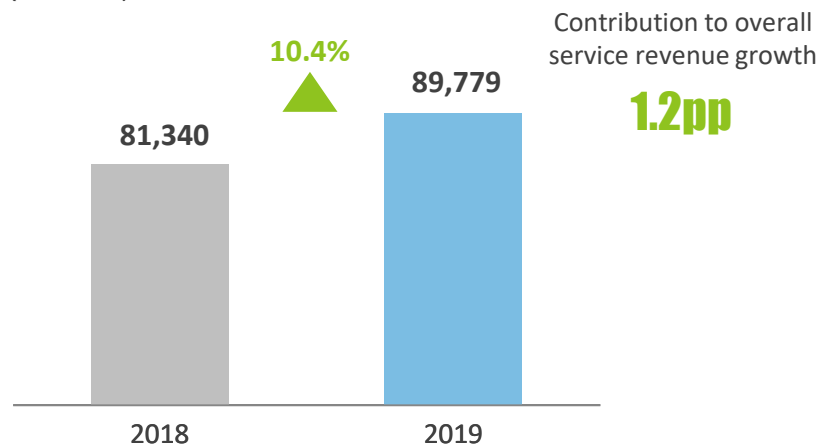
Wireline broadband ARPU stood at RMB 32.8, which includes revenues from household broadband, corporate broadband and Internet dedicated lines

“Business” Market

Took Advantages of Cloud-network Integration and Nurtured a New Force of Growth

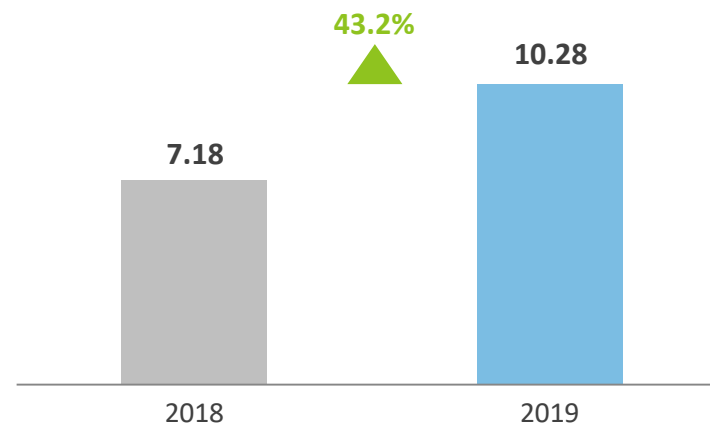
“Business” market revenue

(RMB Mil)



Corporate customers

(Mil)



Focus on Key Industries

Promote “Network + Cloud + DICT” Smart Services



Mobile Cloud

Revenue RMB 2.0 bil ▲ **59.3%**

IDC

Revenue RMB 10.5 bil ▲ **46.8%**

IoT

Revenue RMB 8.8 bil ▲ **17.5%**

ICT

Revenue RMB 6.7 bil ▲ **163.5%**

“New” Market

Active Deployment Showed Initial Signs of Success

International Business

Revenue from international business RMB 9.5 bil **▲ 31.4%**



LTE roaming coverage **World NO.1**

Number of global users under the “Hand-in-hand” program* **>2.9 bil**

Spurred growth of “investment + business” dual growth forces

Digital Content



**MIGU
Video**

Monthly active customers **▲ 46.4%**



**Video
Connecting
Tones**

Customer base **▲ 442%**



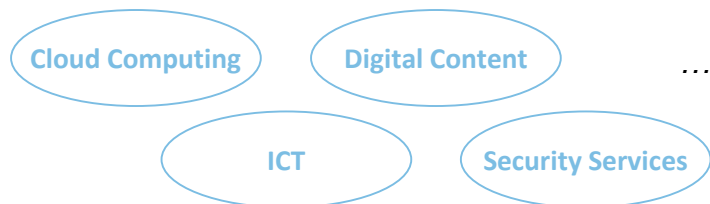
**Cloud-based
Games**

Customer base **>17.57 mil**

Equity Investment

Centring on the principles of “value contribution, ecosystem formation and sector synergy”

Equity investment income as a percentage of net profit **11.9%**



Financial Technology



Monthly active customers

▲ 58.9%

“and-Wallet”

Number of merchants

▲ 49.5%

Note*: The “Hand-in-hand” program was founded in July 2015 by China Mobile International Limited, a subsidiary of China Mobile Limited, with missions to promote “openness, connection, collaboration”. Through enhanced cooperation primarily in the fields of devices, mobile roaming services, data services, network capabilities and Internet business with peers including international telecommunications operators and solution providers, it facilitates sharing of various resources such as networks, customers and products, drives closer synergy and promotes joint innovations, ultimately building new eco-system in the age of high data speed

Established Differentiated Competitive Edges and Achieved Significant Results

Brand Upgrade



- Latest membership **>150 mil**
- Cooperated with a fast-growing number of merchants



- Created a social “fashion brand” image amongst young people
- Actively cultivated potential value customers



- Established a “national brand” image advocating better lifestyle
- Increased business scale and value



2019 Chinese Brand Power Grand Ceremony

China Mobile won the Top Ten Model Brands of the Year

Marketing Transformation

Internet operations

- Launched a uniformed online product system and promoted **13** customer benefits over the entire network, recording nearly **25 mil** sales transactions

Enhanced digital channels

- Percentage of transactions handled through online channels **58.8%**
- Continuously enhanced effectiveness of precision marketing

Promoted grid operations

- Better aligned the responsibilities, authority and benefits of base-level operations
- Empowered frontline staff to provide swift market responses

Developed new channels

- Introduced new forms of cooperation and obtained **>1 mil** omni-channel retailers
- Constructed a direct sales system of smart devices

Quality Improvement

Continuously improved network quality

- Supported rapid 4G traffic growth and maintained a leading position in 4G
- Remarkably optimised VoLTE experience
- Maintained an industry-leading customer satisfaction in terms of household broadband installation and maintenance

Bolstered product innovation capabilities

- Product types proliferated to include customer benefits, applications, “communication + Internet” combo packages, etc
- Strengthened product portfolios such as Mobile Cloud, DICT, smart family

Steadily enhanced customer services

- Established a customer-oriented end-to-end service workflow resulting in an improved overall customer satisfaction
- Provided swift responses to customer demands by segmenting the market by customer profiles, use cases and service requests

Gear Concerted Efforts to Holistically Develop CHBN and Collectively Create a New Blue Sea for 5G

- Net addition of 70 mil 5G package customers
- Mobile ARPU decline rate lower than last year's

Customer

- Net addition of 12 mil household broadband customers
- Further increase in household broadband blended ARPU

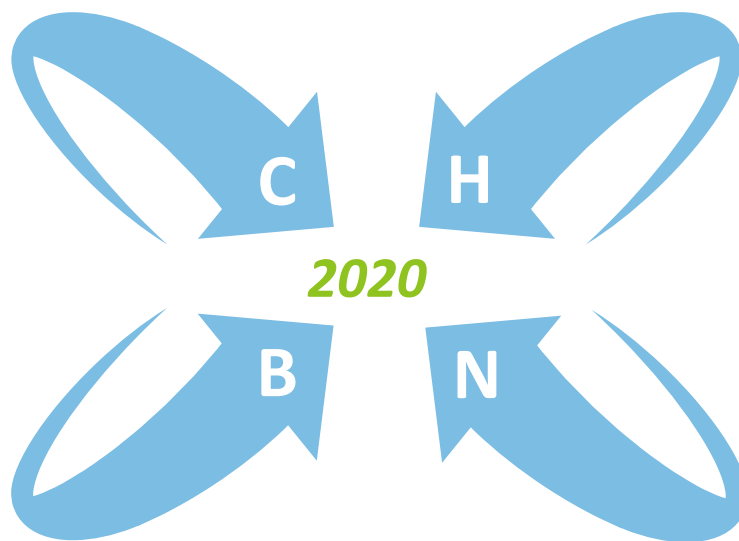
Home

Business

- Corporate customer base exceeds 13 mil
- Maintain favourable growth in DICT revenue

New

- Promote planning for international business and strengthen equity investment operations
- Explore digital content and FinTech applications



03

Financial Performance

Mr. DONG Xin

Executive Director, Vice President & CFO

Financial Highlights

| (RMB Mil) | 2018 | 2019 | Change YoY |
|---|----------------|----------------|--------------------------|
| Operating revenue | 736,819 | 745,917 | 1.2% |
| Revenue from telecommunications services | 670,907 | 674,392 | 0.5% |
| Revenue from sales of products and others | 65,912 | 71,525 | 8.5% |
| Operating expenses | 615,432 | 632,768 | 2.8% |
| Profit from operations | 121,387 | 113,149 | -6.8% |
| Interest and other income | 15,885 | 15,560 | -2.0% |
| Income from investments accounted for using the equity method | 13,861 | 12,641 | -8.8% |
| EBITDA | 275,541 | 295,967 | 7.4%¹ |
| Net profit | 117,781 | 106,641 | -9.5%² |

Note¹: The Company has applied the new accounting standard on leases (IFRS/HKFRS 16) with effect from 1 January 2019. Should the former corresponding accounting standard (IAS/HKAS 17) were applied to the results of the current year (meaning “excluding the impact of the new accounting standard on leases”), EBITDA decreased by 1.6% yoy

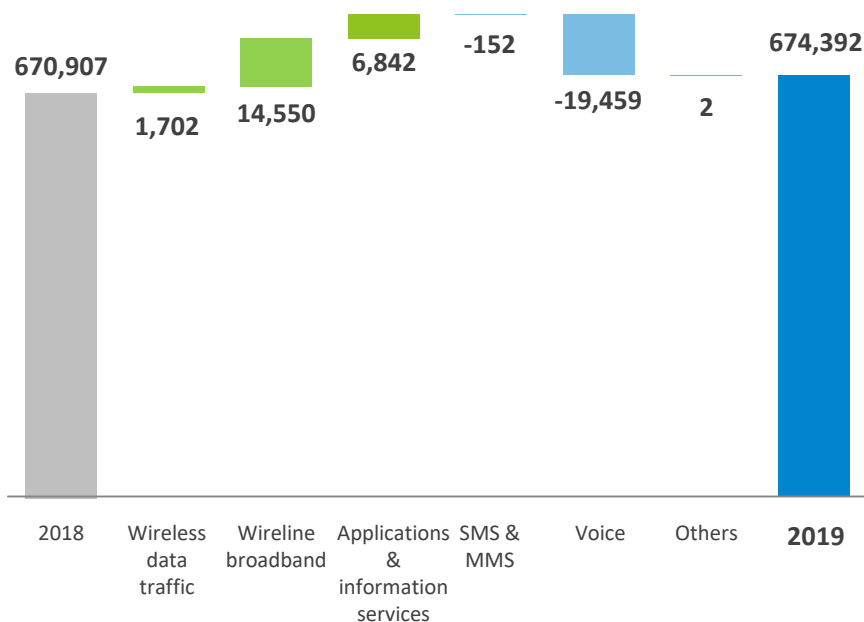
Note²: Excluding the impact of the new accounting standard on leases and the one-off gain resulting from the public listing of China Tower Corporation Limited in 2018, net profit decreased by 7.0% yoy

Breakdown of Revenue Growth

Breakdown of revenue growth of telecommunications services - Business

+0.2pp +2.2pp +1.0pp - -2.9pp - **+0.5%**

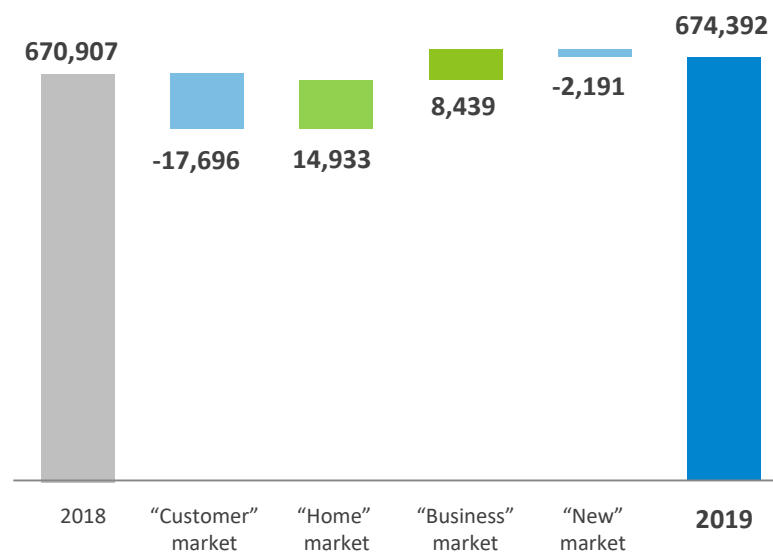
(RMB Mil)



Breakdown of revenue growth of telecommunications services - CHBN

-2.6pp +2.2pp +1.2pp -0.3pp **+0.5%**

(RMB Mil)



Maintaining Effective Cost Control

| (RMB Mil) | 2018 | 2019 | Change YoY | Major impacts |
|---|----------------|----------------|-------------------|--|
| Operating expenses | 615,432 | 632,768 | 2.8% | |
| Network operation and support expenses | 200,007 | 175,810 | -12.1% (0.3%)* | <ul style="list-style-type: none"> Tower leasing fee on a previous basis was RMB41.5 bil, up by 6.5% |
| Depreciation and amortisation | 154,154 | 182,818 | 18.6% (3.8%)* | <ul style="list-style-type: none"> The efforts to satisfy business development, enhance customer perception and improve network quality have resulted in an expansion of assets scale |
| of which: depreciation of right-of-use assets | - | 22,751 | - | <ul style="list-style-type: none"> A new item resulting from the application of the new accounting standard on leases |
| Employee benefit and related expenses | 93,939 | 102,518 | 9.1% | <ul style="list-style-type: none"> Enhanced incentives for core staff to boost the strategic transformation of talents |
| Selling expenses | 60,326 | 52,813 | -12.5% | <ul style="list-style-type: none"> Promoted marketing transformation and improved resource efficiency |
| Cost of products sold | 66,231 | 72,565 | 9.6% | <ul style="list-style-type: none"> Increased sales of ICT equipment, IoT and smart products |
| Other operating expenses | 40,775 | 46,244 | 13.4% | <ul style="list-style-type: none"> Improved asset quality, which resulted in the increase of assets retirement and write-off Increased investment in R&D to promote innovation development |
| of which: interconnection | 20,692 | 21,037 | 1.7% | |

Note¹: *The figures in brackets denote growth rates on a comparable basis after excluding the impact of the new accounting standard on leases

Note²: The Company has optimised the presentation of operating expenses from the interim of 2019. Please refer to Appendix III for details

Promoted Low-cost and High-efficiency Operations by Optimising Resource Allocation

Support

- Quality: networks, products, services
- Transformation: operational reform, cloud-network integration
- Innovation: 5G, DICT, cloud computing, etc.

Squeeze

- Reduced sales channel expenses
- Cut expenses on inefficient operations and maintenance
- Trimmed duplicate construction investment

Control

- Tightened network facilities rental charges
- Controlled expenses incurred by non-production units
- Limited business outsourcing



Average maintenance expense per base station

▼ **14.8%**



Average electricity expenses per frequency network

▼ **1.4%**



Average selling expenses per customer

▼ **15.4%**

Optimised underperforming and ineffective physical retail outlets

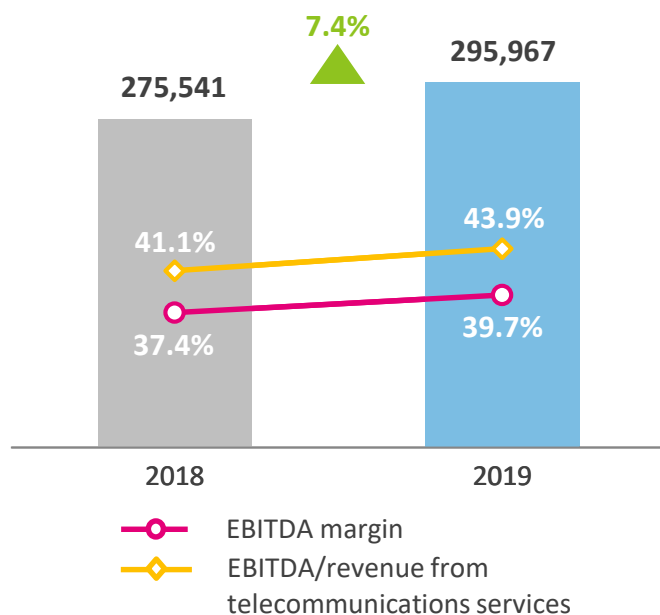
Closed, merged and transformed **4,663** retail outlets

Closed underperforming and ineffective equipment, revitalised old and aged materials

Sustaining Healthy Cash Flow

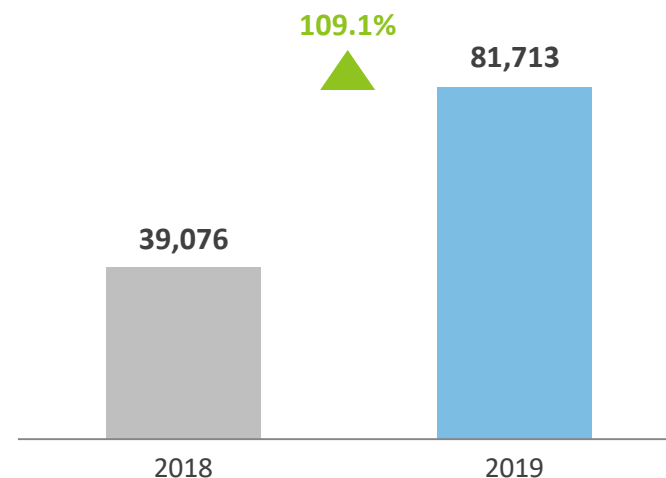
EBITDA

(RMB Mil)



Free cash flow

(RMB Mil)



Note: The Company defines free cash flow as net cash generated from operating activities less capital expenditure incurred

- Excluding the impact of the new accounting standard on leases, EBITDA decreased by 1.6% yoy, and free cash flow increased by 52.4% yoy

Maintaining Sound Capital Structure

| (RMB Mil) | 2018.12.31 | 2019.12.31 |
|-----------------------------|------------|------------|
| Shareholder's equity | 1,052,405 | 1,103,773 |
| Debt | — | — |
| Total book capitalisation | 1,052,405 | 1,103,773 |
| Liabilities-to-assets ratio | 31.3% | 32.0% |
| Cash & bank deposits | 361,567 | 317,166 |

S&P, Moody's Corporate credit ratings are equivalent to China sovereign ratings



2019 Chinese Brand Power Grand Ceremony

“Top Ten Model Brands of the Year”



《The Asset》

“The Asset ESG Corporate Award-Gold Award”



《Institutional Investor》

“Asia's Most Honoured Companies”



《Corporate Governance Asia》

“Icon on Corporate Governance”

“Best Investor Relations Company”

Thank You!

For more information, please contact:

Investor Relations Department: ir@chinamobilehk.com

Or visit the Company's website: www.chinamobileltd.com

Impact of the New Accounting Standard on Leases (IFRS/HKFRS 16)

– Appendix I

- The accounting treatment for lessors and finance leases of lessees did not significantly change under IFRS/HKFRS 16
- The major accounting impact of operating leases of lessees is indicated as follows

Statement of Comprehensive Income

| Before (IAS/HKAS17) | Now (IFRS/HKFRS 16) |
|--|--|
| Operating expenses | Operating expenses |
| Network operation and support expenses | Network operation and support expenses |
| Tower leasing fee | Charges for use of tower assets |
| Operating lease charges | Charges for use of other assets |
| | Depreciation and amortisation |
| | Depreciation of right-of-use assets |
| | Finance costs |

Diagram illustrating the impact of IFRS/HKFRS 16 on the Statement of Comprehensive Income:

- Tower leasing fee (Before) is reclassified to Charges for use of tower assets (Now).
- Operating lease charges (Before) are reclassified to Charges for use of other assets (Now).
- Depreciation of right-of-use assets (Now) is valued at RMB22.8 bil.
- Finance costs (Now) are valued at RMB3.1 bil.

Balance Sheet

| Before (IAS/HKAS17) | Now (IFRS/HKFRS 16) |
|--|--|
| No recognition of assets and liabilities | Non-current assets Right-of-use assets |
| | Current liabilities Lease liabilities |
| | Non-current liabilities Lease liabilities |

Statement of Cash Flows

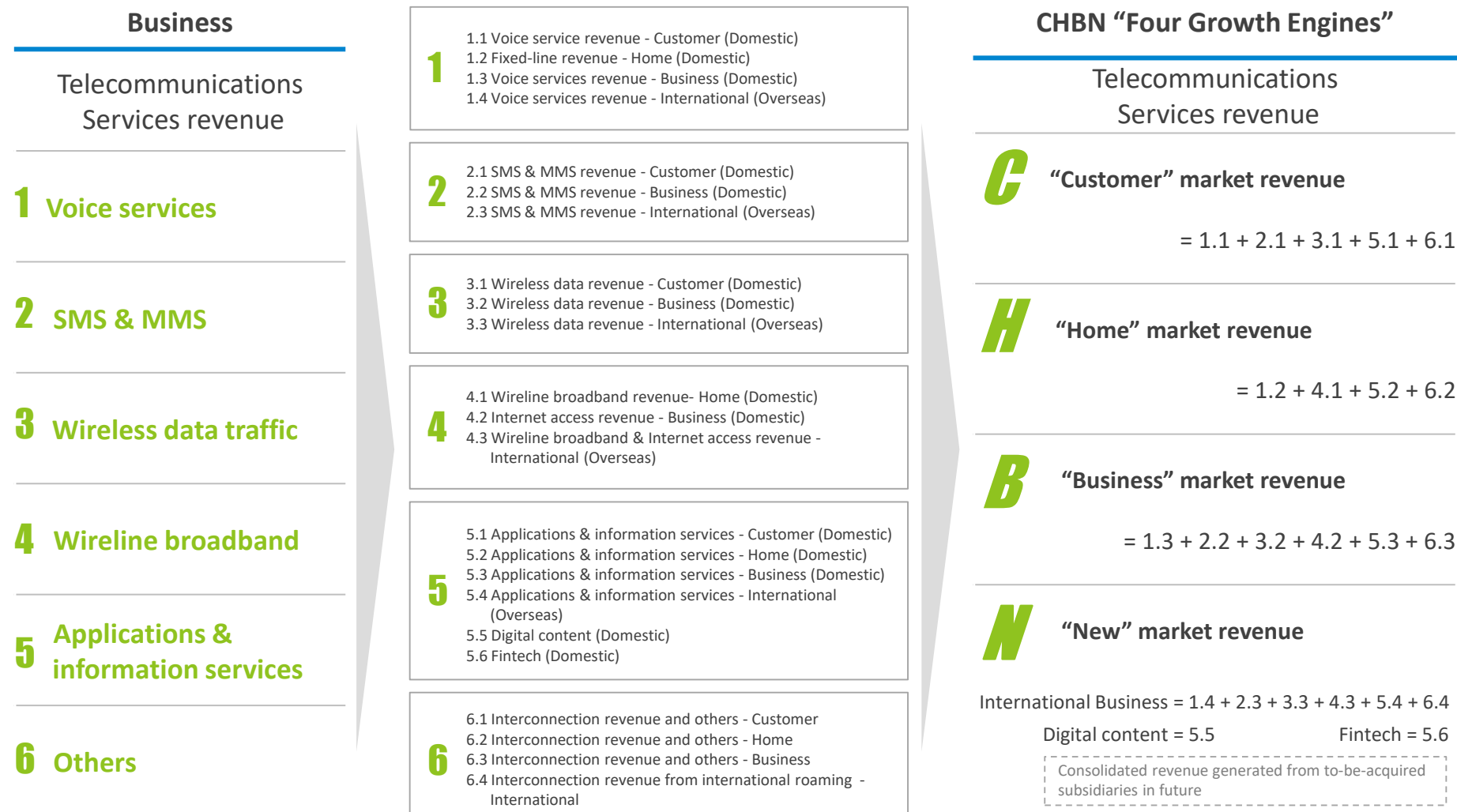
| Before (IAS/HKAS17) | Now (IFRS/HKFRS 16) |
|--------------------------------------|--|
| Cash used in operating activities | Cash used in operating activities |
| Cash used in tower leasing fee | Payment of charges for use of tower assets |
| Cash used in operating lease charges | Payment of charges for use of other assets |
| | Cash used in financing activities |
| | Repayment of principal and interest of lease liabilities |

Diagram illustrating the impact of IFRS/HKFRS 16 on the Statement of Cash Flows:

- Cash used in tower leasing fee (Before) is reclassified to Payment of charges for use of tower assets (Now).
- Cash used in operating lease charges (Before) is reclassified to Payment of charges for use of other assets (Now).
- Repayment of principal and interest of lease liabilities (Now) is valued at RMB22.2 bil.

Revenue from Telecommunications Services – Business and CHBN “Four Growth Engines” Mapping

– Appendix II



Note: In order to show the results of the Company's strategic transformation, revenue from telecommunications services was divided into “domestic” customer revenue and “overseas” customer revenue by geographical nature. “Domestic” customer revenue was broken down into “customer” market revenue, “home” market revenue, “business” market revenue, and “new” market revenue (digital content, Fintech) according to market nature. The digital content is mainly five businesses of MIGU (music, video, games, animation, reading); Fintech is currently mainly “and-Wallet”. “Overseas” customer revenue, which is international business revenue, is included in “new” market. “New” market revenue also includes consolidated revenue generated from to-be-acquired subsidiaries in future. All these above constitute the CHBN “four growth engines”

Adjustment on Operating Expenses Presentation

– Appendix III

- In order to better reflect the cost structure, the Company has optimised the presentation of operating expenses from the interim of 2019. This treatment had no impact on the operating revenue, operating expenses or net profit disclosed in previous years. Comparative information has been reclassified, making it consistent with that of the current year

| Operating expenses (before adjustment), RMB Mil | 2019 |
|---|----------------|
| 1. Leased lines and network assets | 33,233 |
| 1.1 Charges for use of tower assets | 25,518 |
| 1.2 Others | 7,715 |
| 2. Interconnection | 21,037 |
| 3. Depreciation | 181,053 |
| 4. Employee benefit and related expenses | 102,518 |
| 5. Selling expenses | 52,813 |
| 6. Cost of products sold | 72,565 |
| 7. Other operating expenses | 169,549 |
| 7.1 Maintenance | 53,216 |
| 7.2 Amortisation of other intangible assets | 1,765 |
| 7.3 Operating lease charges | 7,492 |
| 7.4 Power and utilities expenses | 32,837 |
| 7.5 Operation support and related expenses | 39,764 |
| 7.6 Property management expenses, vehicle operating expenses and others | 9,268 |
| 7.7 Others | 25,207 |

| Operating expenses (after adjustment), RMB Mil | 2019 |
|--|----------------------|
| Network operation and support expenses | 175,810 |
| Maintenance | 7.1 53,216 |
| Power and utilities expenses | 7.4 32,837 |
| Operation support and related expenses | 7.5 39,764 |
| Charges for use of tower assets | 1.1 25,518 |
| Charges for use of lines and network assets | 1.2 7,715 |
| Charges for use of other assets | 7.3 7,492 |
| Others (Property management expenses, vehicle operating expenses and others) | 7.6 9,268 |
| Depreciation and amortisation | 3+7.2 182,818 |
| Employee benefit and related Expenses | 4 102,518 |
| Selling expenses | 5 52,813 |
| Cost of products sold | 6 72,565 |
| Other operating expenses | 46,244 |
| Interconnection | 2 21,037 |
| Others | 7.7 25,207 |

Extracts from Audited Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2019

– Appendix IV

| (RMB Mil) | 2018 | 2019 |
|---|----------------|----------------|
| Operating revenue | 736,819 | 745,917 |
| Revenue from telecommunications services | 670,907 | 674,392 |
| of which: Voice services | 108,083 | 88,624 |
| SMS & MMS | 28,800 | 28,648 |
| Wireless data traffic | 383,297 | 384,999 |
| Wireline broadband | 54,285 | 68,835 |
| Applications and information services | 75,701 | 82,543 |
| Others | 20,741 | 20,743 |
| Revenue from sales of products and others | 65,912 | 71,525 |
| Operating expenses | 615,432 | 632,768 |
| Network operation and support expenses | 200,007 | 175,810 |
| Depreciation and amortisation | 154,154 | 182,818 |
| Employee benefit and related expenses | 93,939 | 102,518 |

| (RMB Mil) | 2018 | 2019 |
|---|----------------|----------------|
| Selling expenses | 60,326 | 52,813 |
| Cost of products sold | 66,231 | 72,565 |
| Other operating expenses | 40,775 | 46,244 |
| Profit from operations | 121,387 | 113,149 |
| Other gains | 2,906 | 4,029 |
| Interest and other income | 15,885 | 15,560 |
| Finance costs | (144) | (3,246) |
| Income from investments accounted for using the equity method | 13,861 | 12,641 |
| Taxation | (35,944) | (35,342) |
| Profit for the year | 117,951 | 106,791 |
| Equity shareholders of the Company | 117,781 | 106,641 |
| Non-controlling interests | 170 | 150 |

Extracts from Audited Consolidated Balance Sheet as at 31 December 2019

– Appendix V

| (RMB Mil) | 2018.12.31 | 2019.12.31 |
|--------------------------|------------------|------------------|
| Current assets | 535,116 | 529,866 |
| Non-current assets | 1,000,794 | 1,099,374 |
| Total assets | 1,535,910 | 1,629,240 |
| Current liabilities | 474,398 | 462,067 |
| Non-current liabilities | 5,703 | 59,884 |
| Total liabilities | 480,101 | 521,951 |
| Total equity | 1,055,809 | 1,107,289 |

Operating Data

– Appendix VI

| | | Unit | 2018 | 2019 |
|-----------------------------------|------------------------------------|---------|---------|---------|
| Mobile service | Customers | Mil | 925.07 | 950.28 |
| | Mobile service revenue | RMB Mil | 577,120 | 551,702 |
| | ARPU | RMB | 53.1 | 49.1 |
| | Handset data traffic | GB Bil | 34.62 | 65.89 |
| | Handset data traffic DOU | GB | 3.6 | 6.7 |
| | MOU | Minutes | 320 | 287 |
| of which: 4G | Customers | Mil | 712.65 | 758.01 |
| | ARPU | RMB | 61.3 | 56.4 |
| | Handset data traffic DOU | GB | 4.3 | 7.7 |
| Wireline broadband service | Customers | Mil | 156.69 | 187.04 |
| | Wireline broadband service revenue | RMB Mil | 54,285 | 68,835 |
| | ARPU | RMB | 33.5 | 32.8 |
| of which: Household broadband | Customers | Mil | 146.83 | 171.91 |
| | Blended ARPU | RMB | 34.4 | 35.3 |