

Chairman's Statement



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Grasping the Principles of Information Civilization, Maximizing the Effectiveness of Information Services, and Empowering the Sustainable Development of Society

The year 2022 was an extraordinary and important year. It was also a crucial year for China Mobile to implement the "14th Five-Year Plan" (FYP). With the care and support from all sectors of society, we positioned ourselves as "a world-class company of information services and sci-tech innovation" and consistently practiced the development strategy of becoming a world-class enterprise by building a dynamic "Powerhouse". Adhering to the general principle of making progress while maintaining stability, we remained fully committed to driving new infrastructure, integrating new elements, and instigating new growth momentum. As such, we managed to surmount a series of challenges and make remarkable achievements. In 2022, China Mobile's operating revenue reached new heights, with net profits maintaining favorable growth despite a large base. Our revenue structure became more stable and healthy, significantly enhancing our overall capability to withstand risks, and we continued to deliver more value to the economy, society, and environment.

Taking a broad view and understanding the laws of information civilization development. As we continued to contemplate the major question of "how to realize the sustainable development of society and enterprises", we gained profound insights into the inherent laws of energy and information as the drivers of human civilization by taking a grand view of history and strategy. This could be expressed by the formula: $C = \sum [E + I + f(E \times I)]$, wherein C represents the level of human civilization; E represents the level of humans' ability to acquire and utilize energy; I represents the level of humans' ability to generate and apply information; $E \times I$ represents the innovative integration of energy and information; the growth function $f(\cdot)$ represents the diversity and infinite possibility of innovative integration of energy and information; and the summation symbol \sum indicates that the progress of civilization is the outcome of continuous accumulation and development of energy and information.

With the evolution of human civilization, the means by which we communicate and transmit knowledge have undergone a continual transformation. From the earliest forms of language, symbols, and writing, to the telegraph and telephone of the industrial age, and to the digital technologies of the information age, the carriers of information have continually evolved. Today, information has been deeply integrated into the entire process of energy conversion and utilization, leading to the fusion of "watts \times bits". This is propelling humanity into a new era of development dominated by information and characterized by the deep integration of information and energy. The innovation function based on the integration of the two, $f(E \times I)$, has become the main force driving human civilization forward.

Fostering digital intelligence innovation and maximizing the effectiveness of information services. Based on the understanding of the laws of information civilization development, we systematically built a new information infrastructure featuring 5G, computing force network (CFN), and capability middle platforms, and a new information service system integrating "connectivity + computing force + capability" to fully empower the digital intelligence transformation in production, life, and governance across all sectors of society. We maintained an unwavering commitment to innovation-driven development, with a systematic approach to sci-tech innovation. We took the lead in setting 197 international 5G standards and have applied for more than 4,100 5G patents, sustaining our position as a leading global operator. We endeavored to ensure the security of networks, data, communications, and content and played a critical role in providing communications support for major events and during emergencies, including the Luding earthquake, where we provided immediate emergency support. We consistently ramped up security measures, doing our utmost to protect personal data privacy and safeguard users' legitimate rights and interests. By the end of December 2022, China Mobile had deployed 1.285 million 5G base stations, with 272 million households connected to our wireline broadband and a total computing force of 8.0 EFLOPS, and developed over 18,000 5G commercial use cases.

Seeking inclusive growth and sharing the achievements of development with the broader society. We deeply implemented the people-centered development ideology and continuously worked to achieve development that was inclusive of all stakeholders such as employees and customers. We adhered to the long-standing strategy of "Strengthening the Enterprise with Talents" and efficiently nurtured, attracted, gathered and deployed talents. We also constantly improved the systems and mechanisms for democratic management, career development, and the protection of rights and interests, continuing to implement a suite of programs such as "Five Small Spaces", "Happiness 1+1", and employee hardship assistance. We strove to narrow

the digital divide faced by special groups such as people with disabilities, seniors, and those with cultural differences to democratize digital access for all, benefiting more than 37.167 million people. We worked to widely extend the capabilities of information technology and continued to implement the "Seven Assistance Measures," helping 1,442 paired-up counties, townships, and villages consolidate and expand the achievements of poverty alleviation. As a key part of our ongoing work to promote rural revitalization, we deeply implemented the "Seven Rural Digital-Intelligence Projects" and advanced the digital village drive in more than 350,000 remote rural villages. Our steadfast commitment to charity benefitted more than 17.66 million people. We took the initiative to integrate ourselves into major national development strategies and strove to be the "engine of innovation" for coordinated regional development and the "pioneer of responsibilities" for the "Belt and Road Initiative" (BRI), giving major support to the positive interplay between domestic and international circulations.

Pursuing green development and enabling changes in the avenues of growth. We embraced the philosophy that lucid waters and lush mountains are invaluable assets and aimed to create a world where humans live in harmony with nature. We formulated an action plan for carbon peaking and continued to implement the "C² Three Energy - Carbon Peaking and Carbon Neutrality Action Plan". Those efforts led to a steady decline in the consumption of traditional energy and saved 6.43 billion kWh of electricity throughout the year. We actively built a green supply chain, with an energy-saving technology evaluation included in more than 90% of the equipment purchased. We fully leveraged the role of information technologies in carbon reduction to drive the transformation and upgrade of traditional industries such as coal and steel. We promoted online applications in areas such as conferences, office work, medical care, and information consumption, thus facilitating the green and smart development of cities and the transition to a green lifestyle. We provided extensive support in the collection, monitoring, mining, and analysis of environmental data, thereby strengthening the government's environmental monitoring capabilities. Moreover, through participation in a multitude of ecological protection programs such as the "ten-year fishing ban" in the Yangtze River, we played an active part in improving the stability and sustainability of the ecosystem and making our earth a better place to live.

Maintaining advanced governance and continuously building a trustworthy enterprise. In accordance with the requirements of prescribed authority and responsibility, transparent authority and responsibility, coordinated operation, and effective checks and balances, we gave full play to the role of the board of directors and management and continuously improved the corporate governance structure to consolidate the foundation of corporate governance. Committed to being a responsible and trusted enterprise, we continued to deepen reform across the board, improve the market-oriented operation mechanism, prevent and resolve risks, and promote business ethics and anti-corruption efforts. We further embedded ESG considerations in all aspects of corporate governance and built a new pattern of development in which economic value and social value could reinforce each other. The Parent Company has been rated Grade A in the business performance appraisal for the heads of central state-owned enterprises for 18 consecutive years and six terms.

Setting sail on the vast ocean and braving the waves, we are standing at the forefront, ready to chart a new course. Looking forward to 2023, we will continue to align actions with the requirements of strengthening, optimizing, and expanding state-owned capital, state-owned enterprises, and the digital economy. We will accelerate efforts to advance the development of a cyber power, a digital China, and a smart society and to be a world-class enterprise. Securing a firm foothold, we will seek the "best function" for innovation driven by information and energy integration together with our stakeholders and create broader social values. In this way, we will make greater contribution to building a new paradigm of sustainable development in the era of information civilization well suited to the Chinese path to modernization.

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