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CHINA MOBILE LIMITED

中國移動有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 941)

CONNECTED TRANSACTIONS ASSETS TRANSFER AGREEMENTS

THE ASSETS TRANSFER AGREEMENTS

The Board announces that on 9 August 2019, the Purchasers (being the subsidiaries of the Company in the Relevant Provinces) entered into the Assets Transfer Agreements with the Vendors (being the subsidiaries of CMCC in the Relevant Provinces), pursuant to which, the Purchasers agreed to acquire from the Vendors the Sale Assets, which comprise, among other things, the properties and buildings, land use rights, machinery and equipment, transmission pipelines and optic fibers in relation to the “Village Connect” project, at an aggregate consideration of RMB873,013,500 (equivalent to approximately HK\$977,366,972).

Completion has taken place on 9 August 2019.

LISTING RULES IMPLICATIONS

CMCC is the ultimate controlling shareholder of the Company and hence a connected person of the Company. As each of the Vendors is a subsidiary of CMCC, each of the Vendors is also a connected person of the Company. Accordingly, the transactions contemplated under the Assets Transfer Agreements constitute connected transactions for the Company under Rule 14A.25 of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under Assets Transfer Agreements on an aggregate basis is above 0.1% but below 5%, the transactions contemplated thereunder are classified as connected transactions under Rule 14A.76(2) of the Listing Rules which are only subject to the reporting and announcement requirements set out in the Listing Rules but are exempt from the independent shareholders’ approval requirement under the Listing Rules. Details of the Assets Transfer Agreements will be included in the annual report and accounts of the Company in accordance with Rules 14A.49, 14A.71 and 14A.72 of the Listing Rules.

THE ASSETS TRANSFER AGREEMENTS

The Board announces that on 9 August 2019, the subsidiaries of the Company in the Relevant Provinces (the “**Purchasers**”) entered into the Assets Transfer Agreements with the subsidiaries of CMCC in the Relevant Provinces (the “**Vendors**”).

Subject matter

Pursuant to the Assets Transfer Agreements, the Purchasers agreed to acquire from the Vendors the Sale Assets, which comprise, among other things, the properties and buildings, land use rights, machinery and equipment, transmission pipelines and optic fibers in relation to the “Village Connect” project.

Consideration

The aggregate consideration for the acquisition of the Sale Assets under the Assets Transfer Agreements is RMB873,013,500 (equivalent to approximately HK\$977,366,972). The consideration was determined after arm’s length negotiations between the parties to the Assets Transfer Agreements with reference to the appraised value of the Sale Assets (being RMB873,013,500 (equivalent to approximately HK\$977,366,972)) as set out in an assets valuation report prepared by an independent valuer using costs approach.

The consideration shall be paid by the relevant Purchasers, using internal resources, to the relevant Vendors in cash within 30 days after Completion and compliance with the related registration procedures.

Completion

Completion has taken place on 9 August 2019.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ASSETS TRANSFER AGREEMENTS

Reference is made to the announcement dated 9 August 2018 of the Company where the Company announced, among others, that the Company and CMCC agreed to renew the Network Assets Leasing Agreement according to its terms for a term of one year commencing on 1 January 2019, and the annual cap for the transactions under the Network Assets Leasing Agreement for the year ending 31 December 2019.

Reference is also made to the announcement of the Company dated 9 August 2019 in relation to, among other things, the increase of annual cap for the Network Assets Leasing Agreement for the year ending 31 December 2019.

The Sale Assets, which comprise, among other things, the properties and buildings, land use rights, machinery and equipment, transmission pipelines and optic fibers in relation to the “Village Connect” project, are part of the telecommunications network operation assets leased by the Group from CMCC and its subsidiaries under the Network Assets Leasing Agreement.

After Completion, the Sale Assets ceased to be part of the telecommunications network operation assets leased by the Group from CMCC and its subsidiaries under the Network Assets Leasing Agreement and hence, leasing fees for the Sale Assets ceased to be payable by the Group to CMCC and its subsidiaries from Completion under the Network Assets Leasing Agreement.

The unaudited book value of the Sale Assets as of 31 May 2019 was approximately RMB337,955,100. The original costs of the Sale Assets were approximately RMB5,313,858,600. As the Sale Assets represented a very small portion of the assets owned by CMCC, the costs and expenses related to the Sale Assets are not separately accounted for and CMCC has not prepared any profit and loss statement solely in respect of the Sale Assets. As such, the amounts of the profit before and after taxation attributable to the Sale Assets for the years ended 31 December 2017 and 2018 are not known to the Group.

The acquisition of the Sale Assets will enable the Company to manage the Sale Assets and to consolidate the Sale Assets with its other network operation assets more effectively, thereby enhancing the overall efficiency of the Group's network operation assets. As the Group shall cease to pay to CMCC and its subsidiaries the leasing fees for the Sale Assets after Completion, the acquisition of the Sale Assets will also reduce the costs of the Group and at the same time, reduce the volume of connected transactions between the Group and CMCC and its subsidiaries.

LISTING RULES IMPLICATIONS

CMCC is the ultimate controlling shareholder of the Company and hence a connected person of the Company. As each of the Vendors is a subsidiary of CMCC, each of the Vendors is also a connected person of the Company. Accordingly, the transactions contemplated under the Assets Transfer Agreements constitute connected transactions for the Company under Rule 14A.25 of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under Assets Transfer Agreements on an aggregate basis is above 0.1% but below 5%, the transactions contemplated thereunder are classified as connected transactions under Rule 14A.76(2) of the Listing Rules which are only subject to the reporting and announcement requirements set out in the Listing Rules but are exempt from the independent shareholders' approval requirement under the Listing Rules. Details of the Assets Transfer Agreements will be included in the annual report and accounts of the Company in accordance with Rules 14A.49, 14A.71 and 14A.72 of the Listing Rules.

The Group had no other prior transactions with CMCC and its associates which required aggregation with the Assets Transfer Agreements under Rule 14A.81 of the Listing Rules.

As all the executive Directors also hold executive positions at CMCC, all the executive Directors have voluntarily abstained from voting on the board resolution approving the transactions under the Assets Transfer Agreements.

The Board (including the independent non-executive Directors but excluding the executive Directors who have voluntarily abstained from voting) is of the view that the Assets Transfer Agreements were entered into after arm's length negotiation between the parties thereof, reflect normal commercial terms and is in the interests of the shareholders of the Company and the Company as a whole, and the terms for the transactions thereunder are fair and reasonable.

GENERAL INFORMATION

CMCC is a state-owned company established under the laws of the PRC and the ultimate controlling shareholder of the Company holding indirectly approximately 72.72% of the total issued and outstanding share capital of the Company. Through the Group, CMCC is the leading provider of telecommunications services in the PRC. The Vendors are the subsidiaries of CMCC engaging in the provision of telecommunication services in the Relevant Provinces.

The Group is the leading telecommunications services provider in China, which operates nationwide telecommunications networks in all thirty-one provinces, autonomous regions and directly administered municipalities in Mainland China and in Hong Kong. The Company is an investment holding company. The Purchasers are the operating subsidiaries of the Company in the Relevant Provinces.

This announcement contains translations between Renminbi and Hong Kong dollars at RMB0.89323 = HK\$1.00. The translations are not representations that the Renminbi and Hong Kong dollar amounts could actually be converted at such rate, if at all.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Assets Transfer Agreements”	the assets transfer agreements dated 9 August 2019 and entered into between the Purchasers and the Vendors
“Board”	the board of Directors of the Company
“CMCC”	China Mobile Communications Group Co., Ltd., a state-owned company established under the laws of the PRC, the ultimate controlling shareholder of the Company
“Company”	China Mobile Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange and American Depositary Shares are listed on the New York Stock Exchange
“Completion”	completion of the acquisition of the Sale Assets under the Assets Transfer Agreements
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Network Assets Leasing Agreement”	the telecommunications network operation assets leasing agreement dated 18 August 2011 and entered into between the Company and CMCC, as renewed from time to time
“PRC” or “China”	the People’s Republic of China
“Relevant Provinces”	the provinces, autonomous regions and directly administered municipality of Beijing, Fujian, Henan, Hainan, Hebei, Liaoning, Shandong, Anhui, Jiangxi, Chongqing, Sichuan, Hubei, Hunan, Shaanxi, Shanxi, Jilin, Heilongjiang, Guizhou, Yunnan, Gansu, Qinghai, Guangxi, Neimenggu, Ningxia, Xinjiang and Xizang in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Assets”	the telecommunication network operation assets related to the “Village Connect” project acquired by the Purchasers from the Vendors under the Assets Transfer Agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
China Mobile Limited
Yang Jie
Chairman

Hong Kong, 9 August 2019

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Yang Jie, Mr. Li Yue and Mr. Dong Xin as executive directors and Dr. Moses Cheng Mo Chi, Mr. Paul Chow Man Yiu, Mr. Stephen Yiu Kin Wah and Dr. Yang Qiang as independent non-executive directors.