CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 8 January 2021:

(i) the Company and CMCC entered into the 2021 Telecommunications Network Operation Assets Leasing Agreement for a term of one year commencing on 1 January 2021, to govern the continuing connected transactions between the parties relating to the lease of their respective telecommunications network operation assets to each other previously governed by the 2020 Network Assets Leasing Agreement; and

(ii) the Company and CMCC entered into the 2021 Telecommunication Facilities Construction Services Extension Letter to renew the 2020 Telecommunication Facilities Construction Services Agreement according to its terms for a term of one year commencing on 1 January 2021 to govern the continuing connected transactions between the parties relating to the provision of telecommunications project planning, design and consultation, construction and maintenance services.
The annual caps for the transactions contemplated under the 2021 Telecommunications Network Operation Assets Leasing Agreement and the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) for the year ending 31 December 2021 are set out as follow:

<table>
<thead>
<tr>
<th>For the Year Ending 31 December 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 Telecommunications Network Operation Assets Leasing Agreement – leasing fees payable by the Company to CMCC and its subsidiaries</td>
</tr>
<tr>
<td>2020 Telecommunication Facilities Construction Services Agreement (as renewed) – telecommunication facilities construction services charges receivable by the Group from CMCC and its subsidiaries</td>
</tr>
</tbody>
</table>

**LISTING RULES IMPLICATIONS**

CMCC is the ultimate controlling shareholder of the Company and hence a connected person of the Company. Accordingly, the transactions contemplated under the 2021 Telecommunications Network Operation Assets Leasing Agreement and the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) constitute continuing connected transactions for the Company under Rule 14A.25 of the Listing Rules.

Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for (i) the amounts payable by the Company under the 2021 Telecommunications Network Operation Assets Leasing Agreement for the year ending 31 December 2021 and (ii) the amounts receivable by the Group under the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) for the year ending 31 December 2021 is above 0.1% but below 5%, the transactions contemplated thereunder are classified as continuing connected transactions under Rule 14A.76(2) of the Listing Rules which are only subject to the reporting, annual review 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 2021 Telecommunications Network Operation Assets Leasing Agreement and the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) 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.

Reference is made to the announcement dated 2 January 2020 of the Company where the Company announced, among others, that the Company and CMCC agreed to entered into each of the 2020 Network Assets Leasing Agreement and the 2020 Telecommunication Facilities Construction Services Agreement for a term of one year commencing on 1 January 2020, and the annual caps for the transactions under the 2020 Network Assets Leasing Agreement and the 2020 Telecommunication Facilities Construction Services Agreement for the year ended 31 December 2020.
CONTINUING CONNECTED TRANSACTIONS

2021 Telecommunications Network Operation Assets Leasing Agreement

As the 2020 Network Assets Leasing Agreement expired on 31 December 2020 and the Company and its subsidiaries on the one hand and CMCC and its subsidiaries on the other intend to continue to lease their respective network assets to each other, the Company entered into the 2021 Telecommunications Network Operation Assets Leasing Agreement with CMCC on 8 January 2021 for a term of one year commencing on 1 January 2021, pursuant to which the Company and its subsidiaries on the one hand and CMCC and its subsidiaries on the other will lease their respective telecommunications network operation assets (the “Network Assets”) to each other in return for a leasing fee (the “Assets Leasing Fees”).

The transactions contemplated under the 2021 Telecommunications Network Operation Assets Leasing Agreement involve the provision of goods and/or services which are carried out on a continuing or recurring basis in the ordinary and usual course of business of the Company and constitute continuing connected transactions under the Listing Rules.

The Network Assets include, among others, access network, transmission network, machinery rooms and equipment. The parties to the 2021 Telecommunications Network Operation Assets Leasing Agreement have the right to adjust the scope of the Network Assets leased under the 2021 Telecommunications Network Operation Assets Leasing Agreement to suit their respective business needs.

The Assets Leasing Fees are payable on a monthly basis in cash. The Assets Leasing Fees shall be determined with reference to the prevailing market rates. In determining the market rates for the Assets Leasing Fees, the Company takes into account the charges payable by the Company and CMCC to independent third parties (including other industry players) as well as the charges receivable by the Company and CMCC from independent third parties (including other industry players). The Assets Leasing Fees payable by the Company to CMCC shall not be more than the leasing fees charged to other independent third parties for same kinds of Network Assets.

The Assets Leasing Fees received by the Group from CMCC and its subsidiaries under the 2011 Network Assets Leasing Agreement (as renewed) for the two years ended 31 December 2018 and 31 December 2019 were below 0.1% of each of the applicable ratios set out in Rule 14.07 of the Listing Rules. Based on the Group’s unaudited management accounts and estimation, the Assets Leasing Fees receivable by the Group from CMCC and its subsidiaries under the 2020 Network Assets Leasing Agreement for the year ended 31 December 2020 would be below 0.1% of each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules. The amount of Assets Leasing Fees receivable by the Group from CMCC and its subsidiaries under the 2021 Telecommunications Network Operation Assets Leasing Agreement for the year ending 31 December 2021 is also expected to be below 0.1% of each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules.
The annual caps for the Assets Leasing Fees payable by the Group to CMCC and its subsidiaries under the 2011 Network Assets Leasing Agreement (as renewed) for the two years ended 31 December 2018 and 31 December 2019 are RMB3,500 million (equivalent to approximately HK$4,159 million) and RMB5,000 million (equivalent to approximately HK$5,941 million), respectively. The annual cap for the Assets Leasing Fees payable by the Group to CMCC and its subsidiaries under the 2020 Network Assets Leasing Agreement for the year ended 31 December 2020 remained to be RMB5,000 million (equivalent to approximately HK$5,941 million). For the two years ended 31 December 2018 and 31 December 2019 and the six months ended 30 June 2020, the Assets Leasing Fees paid by the Group to CMCC and its subsidiaries were RMB2,308 million (equivalent to approximately HK$2,742 million), RMB1,448 million (equivalent to approximately HK$1,720 million) and RMB605 million (equivalent to approximately HK$719 million), respectively.

In order to lay a solid foundation for the Company’s 5G development, the Company will increase the scale of the network assets to be leased from CMCC and its subsidiaries, including convergence rooms and transmission pipelines for 5G business applications. Due to the impact of COVID-19 in the first half of 2020, the progress of the construction and completion of network assets for commercial use was relatively slower than normal, leading to the amount of network assets leasing fee payable in the first half of 2020 to be lower than expected. As COVID-19 has eased, it is expected that the construction and deployment of network assets for commercial use will gradually normalize and the Company will increase the scale of the network assets to be leased in 2021. As such, the assets leasing fees payable by the Group for the year ending 31 December 2021 are expected to increase as compared with the annual cap applicable for the year ending 31 December 2020. Therefore, the Assets Leasing Fees payable by the Group under the 2021 Telecommunications Network Operation Assets Leasing Agreement for the lease of Network Assets for the year ending 31 December 2021 are expected to not exceed RMB6,500 million (equivalent to approximately HK$7,723 million). Accordingly, this amount is set as the annual cap for the Assets Leasing Fees payable by the Group to CMCC and its subsidiaries under the 2021 Telecommunications Network Operation Assets Leasing Agreement for the year ending 31 December 2021.

**Renewal of the 2020 Telecommunication Facilities Construction Services Agreement**

The Company entered into the 2020 Telecommunication Facilities Construction Services Agreement with CMCC on 2 January 2020 to govern the provision of telecommunications services by the Group to CMCC and its subsidiaries. Telecommunications services provided by the Group under the 2020 Telecommunication Facilities Construction Services Agreement include (i) telecommunications project planning, design and consultation services; (ii) telecommunications project construction services; and (iii) maintenance services in respect of telecommunications facilities and equipment.

As the 2020 Telecommunication Facilities Construction Services Agreement expired on 31 December 2020 and the Group intends to continue carrying out the transactions contemplated under such agreement in the ordinary and usual course of business of the Group, the Board announces that on 8 January 2021, the Company and CMCC entered into the 2021 Telecommunication Facilities Construction Services Extension Letter to renew the 2020 Telecommunication Facilities Construction Services Agreement according to its terms for a term of one year commencing on 1 January 2021.
The transactions contemplated under the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) involve the provision of telecommunication facilities construction services by the Group to CMCC and its subsidiaries which are carried out on a continuing or recurring basis in the ordinary and usual course of business of the Company and constitute continuing connected transactions under the Listing Rules.

The provision of telecommunication facilities construction services by the Group to CMCC and its subsidiaries in respect of individual projects will be subject to public tender process. The selection of contractor in the public tender process will be based on a number of factors including price, technical skills and overall capability and the telecommunication facilities construction services charges will be determined in such public tender process. The pricing for the telecommunication facilities construction services will be primarily based on market rates as determined through the public tender process and the relevant standards laid down in applicable regulations including “Budgets for Buildings and Buildings Complex Cabling System, Budgets for Installation of Mobile Telecommunications Equipment (as amended) (Xin Bu Gui [2000] No.904)”《建築與建築群綜合布線系統預算定額、安裝移動通信設備預算定額(修訂)》(信部規 [2000] 904號), “Notice on Further Relaxation on Professional Services Charges for Construction Projects (Fa Gai Jia Ge [2015] No.299)”《進一步放開建設項目專業服務價格的通知》(发改价格 [2015] 299號) and “Notice on the Publication of Budgets, Fee Rates and Budget Planning Procedures for Information and Telecommunications Construction Projects (Gong Xin Bu Tong Xin [2016] No.451)”《關於印發信息通信建設工程預算定額工程費用定額及工程概算編製規程的通知》(工信部通信 [2016] 451號) will be complied with. For individual projects where the public tender process are not applicable, the selection criteria and price determination mechanism will be similar to that applied in a public tender process.

Services charges for telecommunications project planning, design and consultation services will be payable by instalments or upon completion of provisions of services. Services charges for telecommunications project construction services will be payable in cash by instalments, typically with 10% payable upon signing of relevant engagement, 70% over the course of the construction and the remaining amount payable upon completion and acceptance of the project. Services charges for maintenance services in respect of telecommunications facilities and equipment will be payable monthly.

The annual cap for the telecommunications services charges receivable by the Group from CMCC and its subsidiaries under the 2019 Telecommunications Services Agreement for the year ended 31 December 2019 is RMB2,000 million (equivalent to approximately HK$2,376 million). The annual cap for the telecommunications services charges receivable by the Group from CMCC and its subsidiaries under the 2020 Telecommunication Facilities Construction Services Agreement for the year ended 31 December 2020 was increased from RMB2,000 million (equivalent to approximately HK$2,376 million) to RMB3,000 million (equivalent to approximately HK$3,564 million). For the year ended 31 December 2019 and the six months ended 30 June 2020, the telecommunications services charges receivable by the Group from CMCC and its subsidiaries were RMB495 million (equivalent to approximately HK$588 million) and RMB268 million (equivalent to approximately HK$318 million), respectively.
In light of the 5G development in the PRC telecommunications industry, there are a number of telecommunications projects of CMCC which will be available for public tender and given the Group’s technical skills and overall capability, there are a number of telecommunications projects of CMCC which may require the Group’s services, including telecommunications project investigation, design and construction services as well as maintenance services in respect of telecommunication facilities and equipment. Considering the investment plan for 2021 adopted by CMCC, where the scale of the services that are suitable for the Company to provide is reduced, it is expected that the telecommunication facilities construction services charges receivable by the Group from CMCC and its subsidiaries under the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) for the year ending 31 December 2021 will be lower than that receivable for 2020 and shall not exceed RMB2,000 million (equivalent to approximately HK$2,376 million). Accordingly, such amount has been set as the annual cap for the telecommunication facilities construction services charges receivable by the Group from CMCC and its subsidiaries under the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) for the year ending 31 December 2021.

LISTING RULES IMPLICATIONS

CMCC is the ultimate controlling shareholder of the Company and hence a connected person of the Company. Accordingly, the transactions contemplated under the 2021 Telecommunications Network Operation Assets Leasing Agreement and the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) constitute continuing connected transactions for the Company under Rule 14A.25 of the Listing Rules. Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for (i) the amounts payable by the Company under the 2021 Telecommunications Network Operation Assets Leasing Agreement for the year ending 31 December 2021 and (ii) the amounts receivable by the Group under the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) for the year ending 31 December 2021 is above 0.1% but below 5%, the transactions contemplated thereunder are classified as continuing connected transactions under Rule 14A.76(2) of the Listing Rules which are only subject to the reporting, annual review 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 2021 Telecommunications Network Operation Assets Leasing Agreement and the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) 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 2021 Telecommunications Network Operation Assets Leasing Agreement and the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) under Rule 14A.81 of the Listing Rules.

As all the executive Directors also hold executive positions at CMCC, all the executive Directors have therefore voluntarily abstained from voting on the board resolution approving the transactions under the 2021 Telecommunications Network Operation Assets Leasing Agreement and the 2020 Telecommunication Facilities Construction Services Agreement (as renewed).
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 2021 Telecommunications Network Operation Assets Leasing Agreement and the 2020 Telecommunication Facilities Construction Services Agreement (as renewed) were entered into after arm’s length negotiation between the Company and CMCC and in the ordinary and usual course of business of the Group, reflect normal commercial terms and is in the interests of the shareholders of the Company and the Company as a whole, and the terms as well as the proposed annual caps 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 Group is the leading telecommunications services provider in the mainland of China and Hong Kong, which operates nationwide telecommunications networks in all thirty-one provinces, autonomous regions and directly administered municipalities in the mainland of China and in Hong Kong. The Company is an investment holding company.

This announcement contains translations between Renminbi and Hong Kong dollars at RMB0.84164 = 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:

“2011 Network Assets Leasing Agreement” - the 2011 telecommunications network operation assets leasing agreement dated 18 August 2011 and entered into between the Company and CMCC, as renewed from time to time

“2019 Telecommunications Services Agreement” - the 2019 telecommunications services agreement dated 9 August 2019 and entered into between the Company and CMCC

“2020 Network Assets Leasing Agreement” - the 2020 telecommunications network operation assets leasing agreement dated 2 January 2020 and entered into between the Company and CMCC

“2020 Telecommunication Facilities Construction Services Agreement” - the 2020 telecommunication facilities construction services agreement dated 2 January 2020 and entered into between the Company and CMCC, as renewed from time to time

“2021 Telecommunications Network Operation Assets Leasing Agreement” - the 2021 telecommunications network operation assets leasing agreement dated 8 January 2021 and entered into between the Company and CMCC
“5G”  Fifth Generation digital cellular mobile service

“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

“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

“PRC” or “China”  the People’s Republic of China

“RMB”  Renminbi, the lawful currency of the PRC

“Stock Exchange”  The Stock Exchange of Hong Kong Limited

“%”  per cent.

By Order of the Board  
China Mobile Limited  
Yang Jie  
Chairman  

Hong Kong, 8 January 2021
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 those implied by such forward-looking statements. In addition, the Company does 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 and other filings with the U.S. Securities and Exchange Commission.

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Yang Jie, Mr. Dong Xin, Mr. Wang Yuhang and Mr. Li Ronghua 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.