

PRESS RELEASE

For Immediate Release

CHINA MOBILE ANNOUNCES 2020 ANNUAL RESULTS

Rapid 5G Development with Remarkable Results in Business Transformation and Upgrade

Highlights

- Took active steps to tackle challenges; business performance maintained stable and healthy growth
- Achieved remarkable results in transformation and upgrade; business momentum continued to grow
- Further implemented the “5G+” plan; 5G on fast track of development
- Accelerated construction of new information infrastructure; fully promoted 5G co-construction and sharing
- Steadfastly advanced reforms, facilitated innovation and fostered open collaboration; devised well-laid plans to strengthen and deploy capabilities
- Strive to promote digitalized and intelligent transformation; become a world-class enterprise by building a dynamic “Powerhouse”

Operating Performance

	2019	2020	Change
Operating revenue (RMB million)	745,917	768,070	+3.0%
Of which: Revenue from telecommunications services (RMB million)	674,392	695,692	+3.2%
EBITDA (RMB million) ¹	295,967	285,135	-3.7%
Profit attributable to equity shareholders (RMB million)	106,641	107,843	+1.1%
Basic earnings per share (RMB)	5.21	5.27	+1.1%
Dividend per share (HK\$)	3.25	3.29	+1.2%
Total mobile customers (million)	950	942	-0.9%
Of which: 4G customers (million)	758	775	+2.3%
5G package customers (million) ²	2.55	165	--
Mobile ARPU (RMB)	49.1	47.4	-3.5%
Wireline broadband customers (million)	187	210	+12.4%
Of which: Household broadband customers (million)	172	192	+11.7%
Household broadband blended ARPU (RMB)	35.3	37.7	+6.9%
Corporate customers (million)	10.28	13.84	+34.6%
IoT smart connections (million)	884	873	-1.2%

1. EBITDA = profit from operations + depreciation and amortization

2. The Company officially launched 5G packages in the fourth quarter of 2019. The number of 5G package customers for 2019 cannot be compared with that of 2020 on a like-for-like basis

(Hong Kong, 25 March 2021) –China Mobile achieved operating revenue of RMB768.1 billion in the 2020 financial year, up by 3.0% compared to the year before. Of this, telecommunications services revenue

amounted to RMB695.7 billion, representing growth of 3.2% year-on-year. Our two growth drivers, the “Home” market and the “Business” market, delivered outstanding performance. Wireline broadband revenue increased by 17.4% year-on-year and reached RMB80.8 billion. Revenue from applications and information services increased by 22.4% year-on-year and reached RMB101.0 billion. Revenue contribution from new businesses (non-traditional telecommunications services) continued to grow and the revenue structure comprising the “Customer” (C), “Home” (H), “Business” (B) and “New” (N) markets has further optimized. We delivered strong momentum for sustainable future growth.

In order to further reduce costs and enhance efficiency, we tightened cost control measures involving all staff members and production factors, as well as the entire workflow. Our efforts generated desirable outcomes. Profit attributable to equity shareholders reached RMB107.8 billion or RMB5.27 per share, up by 1.1% year-on-year. In terms of profitability, we maintained our leading position among top-tier global telecommunications operators. EBITDA was RMB285.1 billion, down by 3.7% from last year. EBITDA margin was 37.1%, down by 2.6 percentage points compared to the previous year. Our capital expenditure was RMB180.6 billion and we maintained our free cash flow at the healthy level of RMB127.1 billion.

The Board recommends a final dividend payment of HK\$1.76 per share for the year ended 31 December 2020. Together with the interim dividend of HK\$1.53 per share already paid, total dividend for the 2020 financial year amounted to HK\$3.29 per share. The Company attaches great importance to shareholder returns, and will maintain a stable dividend per share for the full year of 2021, after giving overall consideration to its profitability and cash flow generation. The Company will strive to create greater value for shareholders. The Board believes that our industry-leading profitability level and ability to generate healthy cash flow will provide sufficient support for the Company’s future development and create favorable returns for our shareholders.

Mr. Yang Jie, Chairman of the Company commented, ‘We were faced with a complex operating environment in 2020. COVID-19 affected all aspects of life, while the digital transformation of our economy and society further accelerated, and competition within the telecommunications industry and beyond continued to evolve. Despite various difficulties and challenges, we managed to forge ahead steadily with the goal of achieving high-quality development and becoming a world-class enterprise by building a dynamic “Powerhouse”. This overarching strategy drove us to speed up our business transformation and upgrade while deepening reforms and innovation. Harnessing the opportunities brought about by 5G development, we strived to capture new markets emerged in the blue-ocean digital economy to strengthen our industry-leading position. As a result, our business performance maintained stable and healthy growth and our business development picked up stronger momentum and achieved significant success on various fronts.’

Advancing Forged Coordinated Development of CHBN “Four Growth Engines”

In light of the accelerated digital transformation of the economy and society, our strategy is to expedite the construction of information “highway” consisting of first-class new information infrastructure and operate information “high-speed train” by introducing innovative operating practices and exploring new use cases, products and business forms relating to information services. We also took steps to accelerate the shift toward online, intelligence and the cloud, and cultivated greater value by leveraging the scale of our business and promoting the balanced and integrated development of our CHBN markets. By doing so, we achieved breakthroughs in key businesses and products, while we continued to increase customer satisfaction.

“Customer” Market

In terms of our “Customer” market, we adhered to the strategy of integrating data access, applications and customer benefits. Focusing on our scale-based and value-oriented business operating system and scenario-based customer management, we drove the uptick in both quality and quantity of the 5G business, and stimulated the consumption of information and communications services. Centered around content development and customer benefits, we worked to build our three consumer brands – GoTone, M-zone and Easy Own – consolidating operations and brand value. We collaborated with cross-sector partners, developed prolific businesses and created experiences that resonate with our customers, all with a view to effectively

boosting customer value and loyalty. As of the end of December 2020, the number of mobile customers reached 942 million. Of these, 165 million customers used our 5G packages, representing a net increase of 162 million customers, showing an ongoing industry-leading ability to grow our 5G customer base. Mobile ARPU (average revenue per user per month) reached RMB47.4 where the decline rate was flattened by 4.0 percentage points compared to the previous year. Our DOU (average handset data traffic per user per month) increased by 39.0% to 9.4GB.

“Home” Market

With regard to the “Home” market, we placed emphasis on scale expansion, brand building, ecosystem cultivation and value uplift, expediting the setting up of a service suite that combines full-gigabit network connections with cloud-based applications. We focused on expanding our three main applications, i.e., smart home network deployment, home security and smart remote control, to further promote our smart home operations business. As a result, we recorded favourable growth in our customer base and revenue. In 2020, we added 20.13 million household broadband customers, bringing the total number to 192 million. 141 million of these customers registered for our digital set-top box service “Mobaihe”, accounting for 73.3% of our household customer base. Driven by the combination of bandwidth upgrades and the introduction of value-added applications, household broadband blended ARPU reached RMB37.7, an increase of 6.9% year-on-year.

“Business” Market

The “Business” market is the new driver of our revenue growth and the major force of our business transformation and upgrade. We promoted the integrated development of network, cloud and DICT (data, information and communications technology) in key sectors including smart city, smart transportation and the Industrial Internet. We rolled out the “Cloud business: going all out to win” action plan to accelerate the evolution of intelligent cloud and forge our differentiated advantages in the convergences of cloud and network, cloud and big data, cloud and intelligence, and cloud and edge computing. We also launched the “Leading in 5G” action plan to showcase 5G implementation across verticals, supporting them with new information infrastructure that combines the strengths of 5G and AI, IoT, cloud computing, big data and edge computing. In 2020, our corporate customers showed a net increase of 3.56 million, totaling 13.84 million. The revenue from dedicated lines increased by 19.3% year-on-year and reached RMB24.0 billion. The revenue from DICT reached RMB43.5 billion, representing an increase of 66.5% year-on-year and a 2.6 percentage points increase in contribution to the telecommunications services revenue. Of this, mobile cloud revenue reached RMB9.2 billion, up by 353.8% year-on-year. In terms of 5G applications for vertical industry sectors, we have developed 100 industry-leading showcases at the headquarters level and 2,340 provincial-level feature projects, which have gradually gained traction following our promotional efforts in 15 industry segments.

“New” Market

In terms of the “New” market, we focused on four key areas – international business, equity investment, digital content and FinTech – using an innovative approach. Our efforts have yielded initial success. With regard to our international business, we strived to break barriers between the domestic and international markets, leveraging our proven and well-developed capabilities to enhance our international operations. In 2020, our international business revenue reached RMB11.1 billion, representing an increase of 16.6% year-on-year. Our equity investment strategy emphasizes value creation, alongside building an ecosystem and unleashing the synergy yielded from our operations and investments. We achieved this through optimizing our investment platform for mergers and acquisitions, share purchase and venture capital, as well as leveraging the complementary strengths of direct investment and investment funds. Our equity investment returns in 2020 accounted for 11.8% of our net profit. In terms of digital content and FinTech, we have been actively nurturing high-quality Internet products to constantly improve our product development capabilities and enhance the user experience. As of the end of December 2020, the number of monthly active users of MIGU Video increased by 18.4% year-on-year. The customer bases of video connecting tones and cloud product “and-Caiyun” exceeded 140 million and 100 million respectively, and the number of monthly active users of “and-Wallet” increased by 39.1% year-on-year.

Further implementing “5G+” plan to fast-track 5G development

2020 marked the first full year of the commercial adoption of 5G. Following the government’s call to speed up the construction of new information infrastructure with 5G at the forefront, we further implemented our “5G+” plan to promote the co-construction and sharing of 5G infrastructure, establishing a new milestone for our 5G development.

In 2020, our total 5G-related investment amounted to RMB102.5 billion. Our cloud-based and centralized standalone (SA) core network commenced operations in September 2020. Throughout the year, we built and put in use around 340,000 new 5G base stations, bringing the total number of 5G base stations to a cumulative 390,000, providing 5G services to all prefecture-level cities, selected counties and key areas in China. We own the largest 5G SA commercial network and occupy a leading position in terms of network technology in the world. Contributing to 5G standard-setting and technological evolution, we advocated for the on-schedule freezing of the R16 standard and we were heavily involved in the R17 standard-setting. In the 3rd Generation Partnership Project (3GPP) and the International Telecommunication Union (ITU), we led 99 projects in relation to 5G international standards and launched an industry-leading protocol to provide technical guidance for the full-scale deployment of 5G networks slicing for a wide range of industry sectors. We were also the first telecommunications operator in the industry to launch a protocol on N4 decoupling technology, significantly promoting the flexible deployment of User Plane Function (UPF) while reducing 5G deployment costs.

Alongside 5G network construction, we also came up with an orderly plan for the steady growth of our 5G business. In terms of the consumer market, we worked to gradually promote upgrades and refinements of tariff plans, according to customers’ specific needs. Meanwhile, we advocated for manufacturers to make 5G terminal devices more affordable in order to allow more customers to use 5G services. In order to further enhance user experience, we were the first telecommunications operator to launch a range of new applications, including ultrahigh definition live streaming based on 5G, 4K and VR technology, 5G ultrahigh definition full-screen video connecting tones, cloud-based 5G games and 5G messages. In the “Business” market, we were the first in the industry to propose a BAF commercial model, achieving the commercialization of 5G dedicated network products and rolling out 470 dedicated 5G network projects for corporate customers. We launched nine industry platform solutions including OneCity for smart city and OnePower for the Industrial Internet, accumulating more than 100 applications. We created more than 2,000 showcases for 15 industry segments, of which those that generated most enthusiastic responses included 5G cloud-based cherry blossom appreciation and 5G coverage in Mount Everest, deep mines and harbors.

China Mobile Communications Group Co., Ltd., our parent company, and China Broadcasting Network Corporation Limited (“CBN”) entered a framework agreement for 5G co-construction and sharing. Subsequently, sub-agreements have been signed with CBN on 26 January 2021 covering four areas – namely 5G network construction, network maintenance, market collaboration and network usage fee settlement. Both parties will fully leverage their combined advantages in 5G technology, frequency and content to promote the co-construction and sharing of 700MHz network and support the integration and co-development of a business ecosystem comprising networks and content. By doing so, we aim to accelerate 5G network coverage in an efficient manner, pooling resource advantages and saving costs. We believe that the partnership will help both parties achieve high-quality 5G development and mutual benefits. It will also enable us to provide more diverse and higher-quality services for our customers and create greater value for our shareholders.

5G is playing an increasingly important role in supporting information flow within society, accelerating industry transformation and upgrade, and driving the development of digital society. As the key 5G network constructor, advocate and service provider, we will further implement the “5G+” plan to speed up the application of 5G across sectors to serve wider society.

Future Outlook

All good principles should adapt to changing times to remain relevant. A new wave of technological revolution and industry transformation characterized by digitalization, networkization and intelligentization has emerged, integrating 5G, AI, IoT, cloud computing, big data, edge computing, blockchain and other next-generation information technologies into the economy, society and people's livelihood. Every industry has embarked on digital transformation, presenting unprecedented opportunities in the blue-ocean digital economy. Innovation has emerged with a frequency not seen before. Information technology has become an inseparable part of the real economy, driving the restructuring of innovation and industries on a global scale. Leading technology enterprises have been using technology and data to generate a new form of growth featuring super fast growth, and super products and services, as well as high production efficiency and high technology input. This shift also makes sweeping changes to the way enterprises conduct business and production. Technology and innovation will guide and lead the demand for information services and the resulting impact will become more prominent, thus creating endless possibilities in future. China has shown strong determination to implement state initiatives surrounding Cyberpower, Digital China and Smart Society, which will boost the development of the next generation information technology and other sectors, driving the growth of the digital economy and consumption upgrade. The digital economy will pick up more growth momentum, making "four paradigm shifts" in terms of economic development, technology application, business competition and mass consumption. The landscape of "five verticals and three horizontals" will become more evident. Against this backdrop, MIIT and CAICT expect that, in 2025, the size of China's digital economy will grow to RMB65 trillion, with a compound annual growth rate (CAGR) of more than 10%. Information services market size is expected to reach RMB20.4 trillion with a CAGR of more than 13%. This development creates huge potential for us to grow. Nevertheless, the market landscape has become increasingly complex and volatile. The market as a whole and the information services market are constantly evolving, presenting more diverse business patterns and models. The window of opportunity to develop the information services market is closing at an increasing pace. The result of all these developments is a number of challenges we have to face head-on.

We are now at an historic moment facing a new direction of development. In this context, we have given wider connotation to our "Powerhouse" strategy and put forward a new strategic vision: We will open up development space toward information services and focus on technological innovation to create competitive advantages. These moves will form part of our concerted efforts to achieve our goal of joining the league of the world's first-class information service technology companies. At the same time, we will focus on "two facilitations and two integrations": We will fully facilitate the construction of information infrastructure and facilitate the digitalized and intelligent transformation of the whole society. We will also make endeavors to accelerate the integration and innovation of various information technologies, and speed up the deep integration of information technology and the economy, society and people's livelihood.

We have determined to adopt the main line of development that aims at promoting digitalized and intelligent transformation and achieving high-quality development. Specifically, we will continue to consolidate our network advantages, at the same time make special efforts to highlight our direction to undergo digital and intelligent transformation. While growth will be increasingly driven by information technologies and data, we will take measures to effectively unleash the amplifying impact of new factors on traditional factors including capital and human resources. All these endeavors will empower the full-fledged development of various business areas including products, services, operations and management with digital intelligence, also engaging all business processes. By following this main line of development, we will make significant enhancements to total factor productivity.

We have come up with a clear "4x3" strategic core. First, we will speed up the "three changes", which are the internal logic of our transformation. We are changing our business development from telecommunications services to information services, from the primarily "Customer" (To C) market to all four CHBN markets, and from being resources-driven to being innovation-driven. Second, we will facilitate "three trends", which are our points of breakthrough and core areas of transformation. We are promoting online operations, intelligentization and cloudification to stimulate demand for information services and

upgrade the industry landscape. Third, we will reinforce the “three approaches”, which are paths of our transformation. We are setting up a scale-based and value-oriented business operating system with an emphasis on business convergence, integration and digitalization. Fourth, we will strengthen the “three forces”, which are fuels supporting our transformation. We are building up an organization structure incorporating our capabilities, collaboration and vitality to deliver high operating efficiency and synergy across operations.

Mr. Yang Jie, Chairman of the Company commented, ‘The year 2021 marks the beginning of China’s 14th Five-Year Plan. It will also be a milestone year for us to deepen 5G development and consolidate our market leadership. We will strive for making progress while maintaining stability, adopting our main line of development that promotes digitalized and intelligent transformation and achieves high-quality development. We will focus on our “4x3” strategic core and fully implement the “5G+” plan, taking solid steps toward becoming a world-class enterprise by building a dynamic “Powerhouse”. We will strive to achieve stable and healthy growth in telecommunications services revenue and net profit, creating higher value for our shareholders.’

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Forward-looking statements

Certain statements contained in this press release 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.