

## PRESS RELEASE

For Immediate Release

### CHINA MOBILE ANNOUNCES 2021 INTERIM RESULTS

**Business performance demonstrating favourable trends in all aspects with enhanced shareholder value returns**  
**Making every endeavour to promote full-fledged digital-intelligent transformation and taking solid steps**  
**towards becoming an information services and sci-tech innovation enterprise**

#### Highlights

- Encouraging progress on transformation and upgrade; business performance demonstrated favourable trends in all aspects
- Advanced the comprehensive and integrated development of CHBN markets; value-oriented operating practices yielded notable results
- Further implemented the “5G+” plan; 5G on fast track of development
- Expedited the construction of new infrastructure; laid a strong foundation for digital-intelligent transformation capabilities
- Increased shareholder returns; continuously create value for shareholders
- Strived to promote full-fledged digital-intelligent transformation; take solid steps towards becoming an information services and sci-tech innovation enterprise

#### Operating Performance

	1H 2020	1H 2021	Change
Operating revenue (RMB million)	389,863	<b>443,647</b>	13.8%
Of which: Revenue from telecommunications services (RMB million)	358,230	<b>393,215</b>	9.8%
EBITDA (RMB million) <sup>1</sup>	145,710	<b>161,988</b>	11.2%
Profit attributable to equity shareholders (RMB million)	55,765	<b>59,118</b>	6.0%
Basic earnings per share (RMB)	2.72	<b>2.89</b>	6.0%
Dividend per share- interim (HK\$)	1.53	<b>1.63</b>	6.5%
Total mobile customers (million)	947	<b>946</b>	-0.1%
Of which: 5G package customers (million)	70	<b>251</b>	--
5G network customers (million)	--	<b>127</b>	--
Mobile ARPU (RMB)	50.3	<b>52.2</b>	3.8%
Wireline broadband customers (million)	197	<b>226</b>	14.4%
Of which: Household broadband customers (million)	181	<b>205</b>	13.6%
Household broadband blended ARPU (RMB)	35.4	<b>41.1</b>	16.2%

1. EBITDA = profit from operations + depreciation and amortization

(Hong Kong, 12 August 2021) –In the first half of 2021, China Mobile recorded operating revenue of RMB443.6 billion, an increase of 13.8% year-on-year. Of this, telecommunications service revenue reached RMB393.2 billion, representing a year-on-year growth rate of 9.8% that outperformed the industry average. With the “Customer” market recording positive growth and the “Home”, “Business” and “New” markets all posting strong performance with rapid double-digit growth, the CHBN revenue structure has been further optimized. Thanks to the fast expansion of smart home application services and DICT (data, information and communications technology) services, revenue contribution from new information service businesses (non-traditional telecommunications services) continued to grow, delivering strong momentum for further development.

We continued to reduce costs and enhance operating efficiency, generating desirable outcomes for our overall performance. Profit attributable to equity shareholders reached RMB59.1 billion, or RMB2.89 per share, up by 6.0% year-on-year. In terms of profitability, we maintained our leading position among top-tier global telecommunications operators. EBITDA totalled RMB162.0 billion, up by 11.2% year-on-year, with an EBITDA margin of 36.5%. EBITDA accounted for 41.2% of telecommunications service revenue, representing a 0.5 percentage points increase year-on-year. Our capital expenditure was RMB86.0 billion and we maintained our free cash flow at a healthy level amounting to RMB75.6 billion, or an increase of 28.0% year-on-year.

To create higher returns for its shareholders and share the results of its operating gains, after giving full consideration to its profitability, cash flow generation and future development needs, the Company has decided to pay HK\$1.63 per share for the 2021 interim dividend, representing an increase of 6.5% year-on-year. The Company will strive to achieve favourable growth in full-year dividend per share and continuously create greater value for shareholders.

Mr. Yang Jie, Chairman of the Company commented, ‘In the first half of 2021, facing a complex and volatile internal and external business environment, China Mobile firmly captured development opportunities brought about by accelerated digital transformation of the economy and society. Upholding our overarching strategy of becoming a world-class enterprise by building a dynamic “Powerhouse”, we put a prime focus on our “4x3” strategic core to drive our digital-intelligent transformation in an all-round manner. With our all-out efforts to implement the “5G+” plan, promote the comprehensive and integrated development of our CHBN (“Customer”, “Home”, “Business” and “New”) markets and actively explore the blue-ocean digital economy, we continued to make encouraging progress on transformation and upgrade with business performance demonstrating favourable trends in all aspects. We maintained a stable industry-leading position and achieved high-quality development.’

### **Advancing the comprehensive and integrated development of CHBN markets, value-oriented operating practices yielding notable results**

We harnessed new development opportunities presented to our industry by digital economic growth and expedited the construction of an information “highway” and an operating information “high-speed train” through introducing innovative business practices. Focusing on value-oriented operations that leverage our scale, we continued to drive the comprehensive and integrated development of our CHBN markets. As a result, we achieved encouraging growth in all businesses and continued to increase our customer satisfaction.

#### **“Customer” market: Maintaining scale with value uplift**

We adhered to the strategy of integrating data access, applications and customer benefits, continuously leading the upgrade of personal information and communication consumption. We took various measures to precisely manage our customer base, improve both the quality and scale of our 5G business and create a better customer experience. In order to satisfy the personalized demands of our customers, we launched a range of initiatives, including promoting bundled products through diverse customer touch-points, creating a digital supermarket with integrated content and customer benefits, upgrading the differentiated operating

models of the three major brands (GoTone, M-zone and Easy Own) and launching targeted marketing services using big data. As of the end of June 2021, the number of mobile customers reached 946 million, a net addition of 3.59 million. Of these, 251 million were 5G package customers, representing a net addition of 86 million. The number of customers with integrated benefit products reached 110 million, representing a net addition of 31.35 million. The number of monthly active users of our cloud product “and-Caiyun” reached 116 million. Mobile ARPU (average revenue per user per month) reached RMB52.2, an increase of 3.8% year-on-year, reversing the downward trajectory seen since 2018. Our DOU (average handset data traffic per user per month) increased by 38.7% to 11.9GB. Revenue from the “Customer” market achieved positive growth, increasing by 0.7% year-on-year to RMB255.5 billion.

**“Home” market: Achieving strong growth with increases in scale and revenue**

We strived to set up a service suite that combines full-gigabit network connections with cloud-based applications. To foster leadership in broadband services, we improved our service quality by speeding up the upgrade of gigabit broadband and optimizing our end-to-end service and quality management system; to foster leadership in TV services, we enhanced our TV content by strengthening the integrated operation of “big-and-small screen” content and creating a household information service portal consisting of “broadband television”, “digital cinema” and “vertical content”; to foster leadership in smart home services, we strengthened our applications by covering more household service scenarios and boosting the uptake of household applications including smart home network deployment, home security and voice remote controls. In the first half of 2021, with a net addition of 13.39 million, the number of household broadband customers reached 205 million. Of these, our digital set-top box “Mobaihe” registered a total of 154 million customers, accounting for 74.8% of the household broadband customer base. Thanks to the traction created by the upgrade of broadband and the integration of value-added applications, household broadband blended ARPU reached RMB41.1, an increase of 16.2% year-on-year. Revenue from the “Home” market maintained rapid growth, increasing by 33.7% year-on-year to RMB50.1 billion.

**“Business” market: Driving revenue growth with strong business momentum**

Focusing on key products and industries, we continued to promote the integrated development of network, cloud and DICT. We put emphasis on forging our differentiated advantages in the convergences of cloud and network, cloud and big data, cloud and intelligence, and cloud and edge computing, further strengthened the capability of our cloud-based products and invested in talents in the field of cloud. In doing so, we reinforced our leading position in 5G and were able to create high-quality showcases and put into commercial use our capabilities in the fields of 5G and artificial intelligence (AI), Internet of Things (IoT), cloud computing, big data and edge computing (collectively “AICDE”) to expand our business scale in different vertical industry segments. In the first half of 2021, our corporate customers showed a net addition of 1.69 million, bringing the total to 15.53 million. Revenue from the “Business” market maintained rapid growth, increasing by 32.4% year-on-year to RMB73.1 billion. The revenue from dedicated lines increased by 7.7% year-on-year, totalling RMB13.5 billion. The revenue from DICT reached RMB33.4 billion, representing year-on-year growth of 59.8%. This contributed 3.5 percentage points to the growth of telecommunications service revenue, a rate that was amongst the highest in the industry. Mobile cloud revenue reached RMB9.7 billion, up by 118.1% year-on-year. Of this, the revenue of our public cloud business ranked in the top 10 in the industry. Our IDC business recorded revenue of RMB11.8 billion, an increase of 27.0% year-on-year. A total of 372,000 IDC cabinets were available for use, representing a net increase of 12,000.

**“New” market: Delivering notable results with innovative strategic layout**

Drawing on the spirit of innovation, entrepreneurship and originality, we strived to expand the scale of our new businesses and achieved notable results. In the first half of 2021, revenue from the “New” market achieved rapid double-digit growth, increasing by 22.6% year-on-year to RMB14.5 billion. With regard to the international business, we continued to enhance our international operations while deepening synergy between the domestic and international markets, thus maintaining our leading position in certain regional markets overseas. We further optimized the deployment of international resources to drive the high-quality development of the business. In the first half of 2021, our international business revenue reached RMB6.8 billion, representing an increase of 19.5% year-on-year. With regard to equity investment, we further

optimized our investment allocation and strategic coordination in “5G+” and key areas of the CHBN markets. By establishing the dual connection of industry and capital, we further expanded our “relative circle” in information services and nurtured the digital-intelligent industry ecosystem. In the first half of 2021, our equity investment income accounted for 11.0% of our net profit. In terms of digital content and FinTech, we have been developing high-quality Internet products in areas such as videos, games, virtual reality (VR) and payment systems to constantly improve our products and enhance user experience. As of the end of June 2021, the number of monthly active users of MIGU Video across all platforms increased by 14.5% year-on-year. The number of customers using video connecting tones approached 190 million while the number of active users of “and-Wallet” increased by 31.5% year-on-year.

We continued to optimize our all-round service system, covering every aspect of services and processes and engaging all staff members. By further enhancing quality management and accelerating the digital-intelligent transformation of our services, we enhanced our overall service delivery and steadily increased customer satisfaction. With the full launch of our “10086” integrated smart-service portal, we have been consistently scaling up the application of smart service tools. We further cultivated a service culture among employees, which won us a reputation for providing heart-warming service to customers.

### **Integrating 5G into industries and people’s lives to fast-track 5G development**

An array of next-generation information technologies, with 5G at the forefront, is increasingly intertwined with today’s economy and people’s livelihood. As the leader in 5G network development, an advocate of 5G integration across sectors and a pioneer in providing 5G services to the public, we have furthered our “5G+” strategy, steadily built out the 5G network and advanced the co-construction and sharing of 5G infrastructure. We have also put in all-out efforts to drive convergence, innovation and the scale application of 5G in the consumer and business markets.

In the first half of 2021, our 5G-related investment totalled RMB50.2 billion. As of the end of June, we had built and put in use a cumulative 501,000 5G base stations, covering all urban areas of cities at prefecture-level and above, as well as selected counties and key areas in China. Based on the principle of co-construction and sharing to create mutual benefits, we have orderly made progress on the co-building and sharing of the 700MHz network in collaboration with China Broadcasting Network Corporation Limited (“CBN”), completing the centralized procurement of the master unit and antennas of the wireless network on behalf of the partnership. In the area of 5G standard-setting and technological evolution, we consolidated our leadership in R17 standard-setting by taking over 23 more key projects in the 3rd Generation Partnership Project (3GPP) and the International Telecommunication Union (ITU). To date, we have been leading a cumulative 122 of such projects. In addition, we joined together with more than 20 industry partners to publish the *5G Wireless Evolution White Paper*, which defines the future development of R18 and 5G-Advanced standards. Cumulatively, we have applied for more than 3,300 5G patents and owned a standard-related patent pipeline that has put us in the camp of top-tier global operators.

In the “Consumer” market, we focused our efforts on cultivating 5G network customers, with an integrated strategy involving our value propositions such as products, terminals, network access and tariff packages to boost 4G-to-5G switching and effectively increase customer value. The number of 5G package customers and 5G network customers reached 251 million and 127 million respectively in the first half of 2021. 5G ARPU amounted to RMB88.9. 4G versus 5G, after migration, ARPU moved up by 10.0%. 5G DOU amounted to 20.7GB.

For the “Business” market, we continued to utilise 5G business “showcases” to gain traction and brought in an additional 100 headquarter-level industry-leading demo projects with key customers from different industries. We continued to proactively drive the scale and value monetisation of our 5G business, and by launching quality “commercialised projects”, we were able to create a sound business model for 5G and convert it into actual business opportunities. Overall, in the first half of 2021, we signed an addition of 900

contracts of provincial-level feature projects and kicked off an addition of 452 5G dedicated network projects. 122 projects were large DICT projects with the contract amount each exceeding RMB10 million. These projects helped brought in additional DICT revenue of more than RMB6.0 billion.

### **Resolutely implemented reforms, fostered innovation, facilitated opening-up and cooperation; furthered plans to continuously strengthen and deploy capabilities**

To grasp opportunities arising from the digital economy, we adhered to an approach evolving around digital-intelligent transformation that saw us consolidating our network capabilities, driving innovation and implementing smart operations. We also continued to strengthen partnerships along the industrial chain to achieve collaborative success. By making more breakthroughs in systematic reforms, we are relentlessly reinforcing our capabilities to achieve sustainable development in the future.

On system reforms, with the goal of establishing China Mobile as a world-class model enterprise, we systematically furthered reforms to key areas such as governance, staff deployment and incentive mechanisms, in order to build new momentum towards the high-quality development of our organisation. On technological innovation, we took a leading role in the evolution of 5G technologies and owned a standard-related patent pipeline that has put us in the camp of top-tier global operators. We constantly enhanced our ability to self-direct digitalisation in various fields including artificial intelligence, blockchain, IoT, cloud computing, security and super SIM.

On open collaboration, we proactively built extensive networks and deepened strategic partnerships with local governments, large enterprises and public institutions. We joined forces with renowned higher education institutions, science and research institutions to make further contributions on top-notch innovation. Further, we deepened cooperation with industry partners and stepped up efforts to further develop the “relative circle” and “partnership network”.

On empowerment of mid-end platforms, we have preliminarily built out a smart mid-end “business + data + technology” platform with the characteristics of telecommunications operators and salient features of China Mobile. We also proactively developed capabilities to support various business scenarios, and launched a China Mobile smart mid-end platform gateway and branding. Currently there are 208 types of capabilities on the mid-end platform, and they were deployed, on average, nearly 7 billion times each month in the first half of the year.

On the front of sustainable development, we have unveiled White Paper on "C<sup>2</sup>Three Energy-China Mobile Carbon Peak Carbon Neutrality Action Plan". Our objectives are to save energy in operations through technological innovation, raise the proportion of clean energy and bring into play operational advantages to energise the empowerment of helping to reduce carbon emissions.

### **Applying for the RMB shares issue**

In order to grasp the window of opportunity to develop the information services market, promote the implementation of the strategy of becoming a world-class enterprise by building a dynamic “Powerhouse”, advance digital-intelligent transformation, cultivate a digital-intelligent ecosystem with new vitality and build new momentum toward high-quality development, the Company proposed to apply for RMB share issue on the Main Board of the Shanghai Stock Exchange. On 17 May 2021, the Board approved the proposal, which was subsequently approved by our shareholders on 9 June 2021 at an extraordinary general meeting. Other related work is in progress and will be implemented upon approvals from the relevant regulatory authorities in accordance with relevant procedures.

It is proposed to use the proceeds from the RMB share issue in projects related to new infrastructure, new resource factors and new momentum, advancing digital-intelligent transformation and cultivating a digital-intelligent ecosystem with new vitality. Specifically, the proceeds will be used in the following projects: the development of premium 5G networks, the development of new infrastructure for cloud resources, the development of gigabit broadband and smart home, the development of the smart mid-end platform, R&D for next-generation information technologies and the development of a digital-intelligent ecosystem.

## Outlook

At present, a new wave of technological revolution and industry transformation characterized by digital, network and intelligent features has emerged, and the digital economy has become the major driving force of growth. With 5G at the forefront, a new generation of information technology is integrating into the economy, society and people's livelihood at an accelerated pace, giving rise to new sectors, new models and new products. An enormous "blue-ocean" of business opportunities is taking shape. It is expected that, the contribution of digital economy to China's GDP will increase from 38.6% in 2020 to more than 50% in 2025. Revenue from China's information service sector will grow from RMB10.8 trillion in 2020 to more than RMB20 trillion in 2025. That will translate into tremendous opportunities for our digital-intelligent transformation.

Mr. Yang Jie, Chairman of the Company commented, 'Looking ahead, we will adhere to the strategy of becoming a world-class enterprise by building a dynamic "Powerhouse", following the path of digital-intelligent transformation to strive for high-quality growth. We will develop innovative digital-intelligent products and promote the extension of our product offerings from the realm of telecommunications services to that of information services. We will strengthen our digital-intelligent networks and build up a network system that is characterized by the convergence of cloud and network, as well as by a high level of automation and intelligence. We will establish a digital-intelligent mid-end platform to support innovation and a digital-intelligent organization equipped with sound systems and talented teams to satisfy the needs of our digital-intelligent transformation. In addition, we will nurture a digital-intelligent ecosystem and proactively create a digital-intelligent cluster to bring together different forces and unlock the potential of the digital space on a broader scale and at a deeper level. With our all-out efforts in the five areas above, we will make every endeavour to develop our second curve of growth and create new growth drivers in the process of promoting the digital-intelligent transformation of the economy and society, thus generating greater value for our shareholders and customers.'

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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.