

2022 Interim Results Announcement: Presentation Speech Preliminary Translation Script

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This Preliminary Translation Script is to be read in conjunction with the presentation slide pack, which has already been uploaded onto the Company's website at <http://www.chinamobileltd.com>.

Speakers:

Mr. YANG Jie, Executive Director & Chairman

Mr. DONG Xin, Executive Director & CEO

Mr. LI Ronghua, Executive Director & CFO

Slide 4: Overall Results Introductory Page

- Good evening, ladies and gentlemen.
- Welcome to China Mobile Limited's 2022 interim results briefing.
- To prevent the spread of COVID-19, we continue to communicate our results by way of telephone conference. We would appreciate your understanding on this.
- In today's presentation, I will first brief you on our overall results for the first half of 2022. Then Mr. Dong Xin, our Chief Executive Officer, will talk about our operating performance. Finally, Mr. Li Ronghua, our Chief Financial Officer, will walk you through our financial results.

Slide 5: Performance Highlights

- We saw notable results in our development in the first half of 2022:
- First, we maintained a favourable trend in our operating performance and marked new milestones on our journey to achieve high-quality development;
- Second, we further promoted value-oriented operations and achieved significant results. Our transformation business gained strong growth momentum;
- Third, we accelerated the development of digital-intelligent new infrastructure and continued to enhance sci-tech and innovation capabilities;
- Fourth, we extended enterprise reforms in greater breadth and depth, and strengthened open cooperation to achieve mutual benefits;
- Fifth, we attach utmost importance to shareholder returns and share the fruits of digital-intelligent transformation;
- Sixth, we strive to tap into the enormous opportunities in the blue-ocean digital economy and aspire to become a world-class enterprise.

Slide 6: Key Performance Indicators

- By way of reference, we have provided results of key performance indicators for the first half of 2022 in this table.

Slide 7: Maintained a Favourable Trend in Operating Performance; Marked New Milestones on the Journey to Achieve High-quality Development

- In the first half of 2022, despite the headwinds and challenges posed by COVID-19, alongside other complexities in the external environment, we made every effort to seize the opportunities arising from the thriving digital economy. We did this by embedding ourselves in the aspiration to become a world-class information services and sci-tech innovation enterprise. We adopted a scientific approach to our reform and development as well as COVID-19 prevention and control. Our business performance maintained a favourable growth trend and we marked new milestones on the journey to achieve high-quality development.
- Operating revenue amounted to RMB496.9 billion, up by 12.0% year-on-year.
- Net profit stood at RMB70.3 billion, up by 18.9% year-on-year. Our profitability remained in a leading position among top-tier global telecommunications operators.
- Return on equity was 11.3%, maintaining our industry-leading position.

Slide 8: Further Promoted Value-oriented Operations with Significant Results; Transformation Business Gained Strong Growth Momentum

- We further promoted value-oriented operations and achieved significant results. CHBN revenue grew across-the-board. Contribution of HBN revenue to service revenue reached 40%, capturing an increase of nearly 9 percentage points in less than three years' time and showing a further optimised revenue structure.
- Our transformation business gained strong growth momentum. Benefitting from the rapid growth of digital content, smart home, 5G solutions for vertical industry sectors, mobile cloud and other information service businesses, our digital transformation revenue reached RMB110.8 billion, up by 39.2% year-on-year, accounting for 26.0% of service revenue. It has become a key revenue growth driver, showing a strong upward

trajectory as we broke new ground in the information services market as part of a new phase of our development.

Slide 9: Mobile Cloud Fast Becoming a Top-Tier Player

- We leaned on our differentiated advantages in the convergences of cloud and network, cloud and big data, cloud and intelligence, and cloud and edge computing to further optimise our industry-leading mobile cloud products and technology. We are fast becoming a top-tier player in the mobile cloud space. In the first half of 2022, mobile cloud revenue maintained very rapid growth and reached RMB23.4 billion, up by 103.6% year-on-year.
- We continued to gain influence in the industry. For the “Customer” and “Home” markets, the number of monthly active customers of Mobile Cloud Drive exceeded 140 million and ranked the 2nd in the industry. Its revenue reached RMB2.9 billion, up by 131% year-on-year. For the “Business” market, our public cloud, dedicated cloud and public administration cloud have seen rapid surges in industry rankings. We have significantly increased our resources and capabilities, our proprietary core products have proven to be secure and controllable and we have achieved industry leadership in integrated cloud-network-edge computing capabilities. Our market expansion achieved significant progress. As of the end of June 2022, we have signed over 3,500 cloud services major contracts, generating revenue of over RMB13 billion. We completed a number of model industry clouds for sectors including public administration, education and healthcare.

Slide 10: Accelerated the Development of Digital-intelligent New Infrastructure

- We systematically created a new information infrastructure centring around 5G, computing force network and smart mid-end platform. In the first half of 2022, we spent an overall CAPEX of RMB92 billion.
- For 5G, we continued to expand the depth and breadth of 5G coverage while promoting 5G network co-construction and sharing with CBN. These efforts enabled us to consolidate our 5G leadership. In the first half of 2022, 5G-related CAPEX amounted to RMB58.7 billion. We have commissioned a cumulative of 1 million 5G base stations, including 300,000 700MHz 5G base stations.
- For computing force network, we actively responded to the “Eastern Data and Western Computing” national strategy and transformed our CFN from a conceptual prototype to an industrial practice. We strengthened our "4+3+X" data centre facilities, with a total of 429,000 IDC cabinets available for external use. We promoted the construction of "N+31+X" mobile cloud infrastructure. The total number of cloud servers deployed has accumulated to 593,000.
- For smart mid-end platform, we strove to build an open, central-kitchen-like model for our smart mid-end platform and have seen positive early outcomes in terms of our ability to apply the capabilities internally and externally as well as the value delivered. At present, we have marketed 476 mid-end platform capabilities, which were deployed more than 11 billion times per month on average, up by 61.5% year-on-year.

Slide 11: Continued to Enhance Sci-tech and Innovation Capabilities

- We have further improved the top-level design of technological innovation and continuously increased R&D investment. As a result, we have effectively unleashed the ability and vitality of innovation and continuously enhanced sci-tech and innovation capabilities.
- We put a strong focus on addressing the company strategy and new driving forces of the market. In the first half of 2022, our R&D investment amounted to RMB8.2 billion, up by 20.3% year-on-year.
- We assumed a principle role in driving innovation and actively integrated into the national technological innovation system. We devoted ourselves to developing first-class original technologies and serving as a leader in the modern industrial chain, and we achieved a number of breakthroughs.
- We are an industry leader in patent and standard-setting, with a total of 177 5G international standard-setting projects and owning more than 11,000 authorised invention patents. These achievements allowed us to sit in the group of top-tier global operators.
- We have rapidly enhanced our critical digital-intelligent capabilities and achieved breakthroughs in various new technological innovation practices, such as AI, IoT, cloud computing, blockchain, etc.

Slide 12: Extended Enterprise Reforms in Greater Breadth and Depth; Strengthened Open Cooperation to Achieve Mutual Benefits

- We continued to advance enterprise reforms in greater depth and breadth, and strengthened open cooperation to achieve mutual benefits.
- For system reforms, we further optimised our corporate governance and market-oriented operation system and

steadily promoted reforms to innovation and incentive mechanisms, effectively stimulating corporate vitality. We have seen breakthroughs from mixed-ownership reforms at XinSheng Tech, which has successfully introduced strategic investors and implemented an employee share ownership scheme. For organisational evolution, we established a pan-terminal and omni-channel direct sales system, alongside our efforts to extend grid-based reforms. For our “Business” market, we refined the system that supports go-to-market initiatives and continued to enhance operational efficiency.

- For open cooperation and ecosystem construction, by using different approaches such as fostering strategic collaboration, capital cooperation, joint innovation and promoting partnership with members of the ecosystem, we put a focus on promoting the digital industry and digitalisation of industries and took concrete steps to establish closer ties with our partners, optimise our investment strategy, instil new elements into our joint R&D model and increase industry synergy. Drawing on our new information service system, which features connectivity, computing force and abilities, we also redoubled our efforts to extensively expand the digital ecosystem.

Slide 13: Attach Utmost Importance to Shareholder Returns; Share the Fruits of Digital-Intelligent Transformation

- To create higher returns for our shareholders and share the results of our operating gains, after giving full consideration to the Company’s profitability, cash flow generation and future development needs, the Company has decided to pay HK\$2.20 per share for the 2022 interim dividend, representing an increase of 34.9% year-on-year. The dividend payout ratio for 2022 full-year will further increase from that of the previous year. In 2023, it will increase to 70% or above of the profit attributable to equity shareholders of the Company for that year.

Slide 14: Strive to Tap into Enormous Opportunities in the Blue-ocean Digital Economy; Aspire to Become a World-class Enterprise

- At present, the fast-growing, all-encompassing and profoundly impactful digital economy features an information network as its critical infrastructure, data as the core element, information technology as the major driver, with integration and innovation as its key strategic elements. In the digital economy, information has become a crucial factor that drives the progress of human civilisation, as well as economic and social development. The development will create enormous growth opportunities for information services. China’s digital economy is expected to grow from 39.8% of its GDP in 2021 to over 50% by 2025, with the scale of the information services market expected to increase from RMB12.5 trillion in 2021 to RMB22.8 trillion over the same period. This growth trend presents valuable opportunities for the digital-intelligent transformation of the Company.
- In response to the evolving industry landscape as well as the opportunities emerging from it, we will systematically create a new information infrastructure centring on 5G, computing force network and smart mid-end platform, innovatively build a new information service system that consists of connectivity, computing force and abilities. With these, we will continue to satisfy, drive and uncover market demand while enabling the digital-intelligent transformation of production, lifestyle and social governance and redoubling our efforts to undergo the “two advancements” and “two integrations”. We will strive to consistently create greater value for our customers and shareholders by providing quality information services and generating exceptional business results.
- That basically concludes my part of the presentation. Now, let me turn it over to Mr. Dong Xin for operating performance.

Slide 15: Operating Performance Introductory Page

- Thank you Chairman Yang.
- I’m delighted to present our operating performance in the first half of 2022.

Slide 16: Composition of CHBN Revenues

- In the first half of 2022, our CHBN markets grew across-the-board. By way of reference, we have shown in this table the revenue data of the CHBN markets.

Slide 17: “Customer” Market: Integrated operation engendered stable-to-rising growth

- For the “Customer” market, we promoted the integrated management of data access, applications and customer benefits in greater depth and enhanced the coordinated development between the “Customer” market and the

"HBN" markets.

- As of the end of June 2022, our mobile customer base reached 970 million. Of which, 5G network customers reached 263 million. Mobile ARPU amounted to RMB52.3, up by 0.2%. Revenue from the "Customer" market increased by 0.2% to RMB256.1 billion. In terms of customer benefits, we achieved dual uplift in both customer scale and income. Our benefits boasted a customer base of 241 million and generated income of RMB8.33 billion, up by 119.6%.

Slide 18: "Home" Market: Value orientation drove rapid business expansion

- For the "Home" market, thanks to our efforts to leverage the combined strengths of our full-gigabit network connections and cloud-based applications, we saw favourable growth in both customer scale and revenue for this business line.
- Revenue from the "Home" market increased by 18.7% to RMB59.4 billion. Household customer blended ARPU increased by 4.6% to RMB43.0. Household broadband customers reached 230 million, of which, 181 million were "Mobaihe" users. We had 26.6 million gigabit broadband customers, with all of our Optical Line Terminal (OLT) platforms in the urban areas of cities and counties, and over 88% for those in townships and villages equipped with gigabit capacity. We have expanded the scale of key smart home products, with a total of 1,667 HDICT leading showcases.

Slide 19: "Business" Market: Bolstered capabilities fueled strong momentum

- For the "Business" market, we advanced the integrated development of our network, cloud and DICT, and comprehensively fostered our competitiveness in the information service industry.
- Revenue from "Business" market amounted to RMB91.1 billion, up by 24.6%. We have mass replicated 5G vertical industry applications across a wide range of industries such as smart factories, and signed agreements of a cumulative of over 11,000 5G commercial projects across multiple sectors. Industry cloud continued to deliver very rapid growth, with more than 1.2 million customers and revenue increasing by 93.9% to RMB18.9 billion. We regarded the "to V" and "to G" markets independent competitive fields. We have cumulated more than 195 million Internet of Vehicles connections and provided public administration informatisation solutions for nearly 200 cities across 27 provinces.

Slide 20: "New" Market: Innovative strategy supported very rapid growth

- For the "New" market, we focused on advancing the coordinated development of our four key areas of international business, equity investment, digital content and FinTech.
- Revenue registered a record growth rate of 36.5% and reached RMB19.9 billion. Of which, revenue from international business and digital content amounted to RMB8.1 billion and RMB11.6 billion respectively. In the first half of 2022, our industry chain finance business grew to a scale of nearly RMB30 billion. We have also set forth development plans on Industrial Internet. Investment has cumulated to RMB177 billion after an addition of equity investment at RMB500 million.

Slide 21: Placed Emphasis on Customers and Achieved Comprehensive Enhancement to Operational Quality

- As always, we put a strong focus on customer needs and have made all-round enhancements to our operations. We have advocated the development of sales alliance and attained growth of new channels. We also enriched the connotation of our three major brands, spelling out their differentiated advantages. Making use of smart technologies and approaches, we empowered network operations, products, services and management support, striving to enhance the quality of our network, products and customer touchpoints.

Slide 22: Strive to Achieve 2022 Full-year Targets

- In the second half of 2022, we will focus on quality enhancement and ensure the attainment of our full-year targets. We will also quicken our pace to strengthen our capabilities, laying a solid foundation for future development.
- By way of reference, we have listed our major full-year business targets on this slide.
- Now, let me turn it over to Mr. Li Ronghua for financial performance.
- Thank you!

Slide 23: Financial Performance Introductory Page

- Thank you Mr. Dong.
- I'm delighted to present our 2022 interim financial results to you.

Slide 24: Financial Highlights

- In the first half of 2022, we continued to promote our transformational development and recorded favourable growth in both revenue and profit.
- Operating revenue was RMB496.9 billion, up by 12.0% year-on-year. Of which, telecommunications service revenue was RMB426.4 billion, up by 8.4% year-on-year. Revenue from sales of products and others amounted to RMB70.5 billion, up by 39.8% year-on-year.
- While we continued to strengthen cost management, we have appropriately increased our investment to support business transformation. Operating expenses increased by 10.9% year-on-year.
- Benefited by the optimisation of our wealth management product portfolio and the enhancement to the rate of return, interest and other income went up by 20.3% year-on-year.
- For the investment of associates, SPD Bank, China Tower, etc. also brought contributions to our returns. Income from investments accounted for using the equity method reached RMB6.2 billion.
- As a result, our net profit increased by 18.9% year on year to RMB70.3 billion. Our profitability continued to stay at a leading level among top-tier global telecommunications operators.

Slide 25: Revenue Growth Overview: Revenue Related to Business Transformation Continued to Increase

- In terms of breakdown of revenue growth by business, the increase in telecommunications service revenue was mainly attributable to the growth in wireline broadband and applications and information services. Of which, incremental revenue contributions from wireline broadband and applications and information services amounted to RMB7 billion and RMB28.7 billion respectively.
- As for breakdown of revenue contribution by CHBN markets, incremental revenue contributions from "Customer" market, "Home" market, "Business" market and "New" market reached RMB0.5 billion, RMB9.4 billion, RMB18 billion and RMB5.3 billion respectively.
- Going forward, we will continue to drive the comprehensive and integrated development of our CHBN markets, advance digital-intelligent transformation, promote continuous enhancement to our business structure and the shift of growth drivers.

Slide 26: Cost Control Overview: Maintaining Good Cost Control

- As part of our consistent efforts to reduce costs and enhance operational efficiency, we implemented multiple initiatives to control costs and expenses while adding new streams of income and increasing revenue. These initiatives have achieved favourable outcomes.
- Network operation and support expenses went up by 14.1% to RMB138.2 billion. The increase was mainly attributable to the investment ramp-up in areas such as smart family, DICT and the construction of smart mid-end platform to support our accelerating business transformation. In addition, we have expanded the scale of our 5G and computing force network, etc. The corresponding operation and maintenance expenses have gone up.
- Depreciation and amortisation was RMB99.5 billion, which was at the same level as last year. After excluding the impact of the adjustment to the residual value of certain assets in the first half year of 2021, depreciation and amortisation grew by 8.7% year-on-year on a comparable basis.
- Employee benefit and related expenses increased by 14.4% to RMB63.9 billion. This was mainly because we have further increased resources to nurture and recruit management talents for the "Business" and "New" markets, as well as R&D talents in the fields of 5G and AICDE.
- Selling expenses decreased by 13.8% to RMB26.2 billion. The decrease was mainly attributable to accelerating channel transformation, where we have strengthened our online sales and service capabilities. The efficiency of the utilisation of marketing resources has further improved. At the same time, some offline marketing and promotion activities were restricted due to COVID-19.

Slide 27: Profit Overview: Profit Continued to Increase

- Benefited by favourable growth in revenue and sound cost control, our profit level continued to rise. EBITDA increased by 7.4% year-on-year to RMB173.9 billion. EBITDA accounted for 40.8% of telecommunications service revenue. Net profit increased by 18.9% year-on-year to RMB70.3 billion. Basic earnings per share

increased by 14.1% year-on-year to RMB3.29.

Slide 28: Cash Flow Overview: Favourable Cash Flow

- The Company continued to record favourable cash flow. Net operating cash flow reached RMB147.3 billion. Free cash flow was RMB55.2 billion, the year-on-year decrease was mainly attributable to two factors: first, we took active steps to mitigate the impact of COVID-19 and proactively take measures to fulfil economic and social responsibilities. We have slowed down cash collections but sped up payments with a view to supporting upstream and downstream operations along the industrial chain; second, we sped up the promotion of new infrastructure layout and capital expenditure was completed at a quicker speed.

Slide 29: Capital Structure Overview: Maintaining Stable and Healthy Capital Structure

- Our capital structure maintained stable and healthy with corporate credit ratings equivalent to China sovereign ratings.

Slide 30: Continue to Create Greater Value

- Overall, we delivered the following performance in the first half of 2022: double-digit growth in revenue and profit, effective cost control, abundant cash flow, as well as a stable and healthy capital structure.
- In the second half of 2022, we will further deepen value-oriented operating practices and strengthen centralised management, ensuring the attainment of the full-year performance targets. Moreover, we will continue to further improve management of funds, assets and capital efficiency, stimulating the Company's vitality in value creation. In the meantime, we will further strengthen risk management and control, ensuring sustainable and healthy development of the Company.

Slide 31: Q&A

- This is the end of our presentation and analysis on our 2022 interim results.
- Now we would like to take your questions. Thank you.

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