



PRESS RELEASE

For Immediate Release

CHINA MOBILE ANNOUNCES 2017 INTERIM RESULTS “Big Connectivity” Brought into Play with Transformational Results

Highlights

- Above-industry-average service revenue growth rate with a rise in profit
- Wireless data traffic revenue exceeded half of the service revenue, wireline broadband revenue contribution took a leap, applications and information services revenue achieved double-digit growth
- Continuously strengthened information & telecommunications infrastructure, driving ahead with the integrated development of the “four growth engines”
- Payment of an interim dividend of HK\$1.623 per share and a special dividend of HK\$3.200 per share celebrating the 20th listing anniversary

Key Performance Indicators

	1H 2016	1H 2017
Operating revenue (RMB million)	370,351	388,871
Of which: Revenue from telecommunications services (RMB million)	325,423	347,950
EBITDA (RMB million) ¹	134,350	140,710
Profit attributable to equity shareholders (RMB million)	60,572	62,675
Basic earnings per share (RMB)	2.96	3.06
Interim dividend (HK\$/ share)	1.489	1.623
Special dividend (HK\$/ share)	N/A	3.200
Total mobile customers (million)	837	867
Of which: 4G customers (million)	429	594
Mobile ARPU (RMB)	61.5	62.2
Total wireline broadband customers (million)	65.84	93.04
Wireline broadband ARPU (RMB)	33.4	34.9

1. The Company defines EBITDA as profit for the period before taxation, share of profit of investments accounted for using the equity method, finance costs, interest income, other gains, depreciation and amortization of other intangible assets.

(Hong Kong, 10 August 2017) – China Mobile maintained stable growth in the first half of 2017, recording operating revenue of RMB388.9 billion, representing an increase of 5.0% compared to the same period last year. The 6.9% growth in telecommunications services revenue was above industry average. Business transformation has also yielded positive results, with revenue from wireless data traffic reaching RMB187.7

billion, accounting for more than 50% of the telecommunications services revenue and continuing to play a significant role as the biggest driver of growth. EBITDA increased by 4.7% compared to the first half of 2016, reaching RMB140.7 billion. Profit attributable to equity shareholders grew by 3.5% year-on-year to RMB62.7 billion while overall profitability continued to be ahead of our industry peers.

Taking into consideration the operating results in the first half of 2017 and the anticipated need for future development, the Board declared payment of an interim dividend of HK\$1.623 per share, or a dividend payout ratio of 46%, in accordance with the 2017 full-year dividend payout ratio guidance.

This year marks the 20th anniversary of China Mobile's public listing. To express our heartfelt gratitude to our shareholders for their continued endorsement and support, the Board declared payment of a one-off special dividend of HK\$3.200 per share in celebration of the 20th anniversary.

The Board believes that our industry-leading profitability and ability to generate healthy cash flow will provide sufficient support for the Company's future development and generate good returns for our shareholders.

Mr. Shang Bing, Chairman of the Company commented, "China Mobile has maintained its market leadership and achieved encouraging results in the first half of 2017. During this period, China Mobile pursued its overarching strategy of "Big Connectivity", rode on the flourishing development of 4G and household broadband as well as driving ahead with the integrated development of its "four growth engines" that had been identified in response to the challenges imposed by evolving regulatory policies and the changing market environment. We have expanded our businesses serving the personal, household, corporate and emerging business markets. We have made notable progress in strengthening our core competitive advantages and cultivating new sources of information income."

Major Developments

The personal market: 4G superiority maintained

We have been striving to strengthen our network infrastructure and capability. In the first half of 2017, we increased the total number of 4G base stations to 1.65 million, making our 4G TD-LTE (Time Division Long Term Evolution) network the largest in the world, leading in technology, coverage and quality. With a net addition of 58.62 million 4G customers, the total number of 4G customers has reached 594 million and the 4G penetration rate of our mobile customers has achieved 69% in the first half of 2017. We are proud to say that, in every three 4G users in the world, there is one China Mobile customer. The Company is on track to achieve its target of a net increase of 100 million 4G customers this year. The average handset data traffic per user per month, or DOU, of 4G customers reached 1.4GB, the total handset data traffic increased by 107.5%. With the fast growing popularity and development of video and other applications, we expect the DOU of mobile customers will continue to realise relatively high upside potential.

China Mobile remains cognisant of how customer demand in data traffic may grow. In response to competition from other operators, we implemented measures to maintain our competitiveness in the 4G business while striving to preserve the value of data traffic. The Company is confident of sustaining healthy growth in data traffic revenue going forward.

The household market: committed to enhancing value

Our wireline broadband business has experienced favourable growth momentum with significant increments in both customer and revenue market shares. The customer base rapidly expanded with a net addition of 15.42 million, bringing the total number of wireline broadband customers to 93.04 million. We are hopeful to grow our wireline broadband customer base to more than 100 million by the end of the year. Meanwhile,

we also witnessed an increasing proportion of customers subscribing to services of higher bandwidth. Specifically, customers opting for products with bandwidth of 20Mbps or above accounted for 87.5% of our total wireline broadband customers, representing an increase of 10.6 percentage points from the end of last year. Revenue from the wireline broadband business has increased by 49.8% year-on-year to reach RMB17.9 billion and has become a key component of our revenue growth. The effective upgrade of broadband network strength has facilitated the rapid development of home digital services. In the first half of 2017, the number of Mobaihe (digital set-top box) customers reached 38.59 million, representing a net increase of 15.79 million from the end of 2016 and a penetration rate of more than 40%.

Broadband ARPU recorded a heartening growth of 4.6% to RMB34.9 in the first half of 2017, driven by the rapid expansion of the customer base and widening application adoption. The APRU that included home digital services grew by 9.8% to reach RMB38.0. Our focus in the second half of the year will continue to be customer value enhancement, to be achieved by network and services upgrade.

The corporate customer market: revenue and scale trending up

We again expanded our business with corporate customers in the first half of 2017. The concerted effort has yielded positive results in terms of both customer base and revenue. We served more than 5.90 million corporate customers and achieved a 25.3% year-on-year rise in corporate telecommunications and informatization services revenue, accounting for more than one third of the total market. The Company has established a business structure that further optimises revenue generation, with the data dedicated line and IDC (Internet Data Centre) businesses leading the growth, recording increases of 38.4% and 97.1% respectively year-on-year.

We continued to develop vertical industry solutions by focusing on seven key sectors, namely industry, agriculture, education, public administration, finance, transportation and healthcare. We worked with relevant organisations to develop industry specific solutions, which have already begun to generate scalable revenue. Worthy of highlighting is the fact that, 8 products have each generated annualized revenue of more than RMB100 million. Among which, our “and-Education” solution has generated an annualized revenue of more than RMB4 billion. Our cloud services have seen breakthroughs in market development, winning 7 projects with provincial governments and serving 32,000 enterprises and institutions.

The emerging business market: digital services gathering momentum

In the first half of 2017, application and information services generated a 12.1% increase in revenue. We have sped up the development of competitive digital products while strengthening our content and application businesses, in order to continuously enhance customer experience. In the first half of this year, average monthly active end-users for our digital media MIGU exceeded 100 million. We have stepped up efforts to introduce rich content and enhance our CDN (Content Distribution Network). Front-page loading latency for the top 100 most-visited websites has become significantly shorter and video streaming notably smoother. This resulted in a further boost to both customer loyalty and the value of applications. Our mobile payment business saw substantial growth, with the China Mobile “and-Wallet” recording a total transaction value of more than RMB950 billion in the first half of the year. Location services functionality continued to improve, with a real-time city road traffic system based on handset positioning being launched in 110 cities and the service being used 8.3 billion times.

Our IoT service developed solidly in the first half of 2017, with the total number of smart connections exceeding 150 million. The increasing scale of smart connections provided a take-off point for broadening IoT applications. The IoT platform, together with Internet of Vehicles, industrial manufacturing, smart wearables, education and healthcare, municipal administration and other IoT applications will all be areas with long-term growth potential.

Future Development

This year marks the 20th anniversary of China Mobile’s public listing. Mr. Shang said, “In the past 20 years, we have achieved many miracles and laid many milestones in the history of telecommunications. China Mobile will continue to move forward and overcome challenges on the route to success. We will now strive to become the world-leading operator in digital service innovation and in doing so continue to create higher value for our shareholders. A new wave of the information technology revolution and industry reform has been rolling across the world. We will respond quickly to the trend, allowing the Company to capture the opportunities and meet new challenges. We will deepen our “Big Connectivity” strategy and speed up the horizontal expansion of our scale, vertical development of our services and continue to seek breakthroughs in connection applications. China Mobile in the period ahead will be focused on the following four areas. Firstly, we will follow closely the latest technological trends and solidify our information and telecommunications infrastructure. Secondly, we will seek further integration of the “four growth engines”. Thirdly, we will aim to offer the service support that is needed for the development of a robust digital economy. Lastly, we will build out the industry ecosystem for collaboration and inclusive growth.”

Mr. Shang added, “Looking forward, we will commit ourselves to maintaining our leading position in the market and building on our competitive strengths. For the full year of 2017, China Mobile will strive to achieve a telecommunications services revenue growth rate that surpasses industry average while maintaining our healthy level of profitability. The Company will also endeavour to achieve a full-year net profit higher than that of 2016.”

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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.