

PRESS RELEASE

For Immediate Release

CHINA MOBILE ANNOUNCES 2022 ANNUAL RESULTS

Accelerated build-out of the “Two New Elements”

Business transformation achieved remarkable results

Continued to achieve outstanding performance

Highlights

- Operating revenue maintained a double-digit increase; net profit maintained favourable growth; dividend payment continued to increase
- Optimized revenue structure with robust growth momentum; top-tier player in the Mobile Cloud market
- Comprehensive leadership in “dual gigabit” premium network; optimized CFN planning with faster value generation from capabilities; breakthrough in information services offering

Operating Performance

	2021	2022	Change
Operating revenue (RMB million)	848,258	937,259	10.5%
Of which: Revenue from telecommunications services (RMB million)	751,409	812,058	8.1%
EBITDA (RMB million) ¹	311,008	329,176	5.8%
Profit attributable to equity shareholders (RMB million)	116,148	125,459	8.0%
Basic earnings per share (RMB)	5.67	5.88	3.7%
Dividend per share (HK\$)	4.06	4.41	8.6%
Total mobile customers (million)	957	975	1.9%
Of which: 5G package customers (million)	387	614	58.7%
5G network customers (million)	207	327	58.3%
Mobile ARPU (RMB)	48.8	49.0	0.4%
Wireline broadband customers (million)	240	272	13.4%
Of which: Household broadband customers (million)	218	244	11.8%
Household broadband blended ARPU (RMB)	39.8	42.1	5.8%
Corporate customers (million)	18.83	23.20	23.2%
IoT card connections (million)	806	1,062	31.8%

1. EBITDA = profit from operations + depreciation and amortization

(Hong Kong, 23 March 2023) –China Mobile’s operating revenue for the year reached RMB937.3 billion, or 10.5% growth year-on-year. Of this, telecommunications services revenue accounted for RMB812.1 billion, an increase of 8.1% year-on-year. All CHBN markets saw growth in their customer base and revenue, with HBN revenue accounting for 39.8% of telecommunications services revenue, an increase of 4.1 percentage points year-on-year. Thanks to the rapid expansion of 5G applications, mobile cloud, digital content, smart home and other businesses,

digital transformation revenue reached RMB207.6 billion, up 30.3% year-on-year. Overall, our efforts in fostering digital transformation revenue as the “second curve” have yielded remarkable results. These services have become a key growth driver contributing to a more balanced, stable and healthy overall revenue structure. We have acquired increasingly stronger sustainable growth and significantly improved resilience.

Profit attributable to equity shareholders was RMB125.5 billion, an increase of 8.0% year-on-year, and earnings per share were RMB5.88. Our profitability remained in a leading position among top-tier global telecommunications operators. EBITDA was RMB329.2 billion, an increase of 5.8% year-on-year, with an EBITDA margin of 35.1%. EBITDA as a percentage of telecommunications services revenue was 40.5%. Return on equity was 10.0%, an increase of 0.2 percentage points year-on-year; capital expenditure totaled RMB185.2 billion, accounting for 22.8% of telecommunications services revenue and decreasing 1.6 percentage points year-on-year, which showed an improving return on assets and investment. Free cash flow was RMB95.6 billion, with cash flow remaining healthy. We have maintained industry-leading profitability, return on assets and cash flow for years, demonstrating our outstanding level of operations and management efficiency, and laying a secure foundation for future development.

The Board recommends a dividend payout ratio of 67% for the full year of 2022. It also recommends a final dividend payment of HK\$2.21 per share for the year ended 31 December 2022. Together with the interim dividend of HK\$2.20 per share already paid, total dividend for the full year of 2022 amounted to HK\$4.41 per share, an increase of 8.6% from that of 2021.

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 profit to be distributed in cash in 2023 will increase to 70% or above of the profit attributable to equity shareholders of the Company for that year. The Company will strive to create more value for shareholders.

Mr. Yang Jie, Chairman of the Company commented, ‘In 2022, despite various hurdles and challenges brought about by the complex and changing macro-environment, we worked closely together as a team to seize the valuable opportunities emerging from the flourishing digital economy, anchoring the Company to its position as a world-class information services and sci-tech innovation enterprise. We systematically built out new information infrastructure centering around 5G, computing force network (CFN) and capability middle platform, and created a new information services system that is equipped with connectivity, computing force and capability. We strove to build new infrastructure, integrate new elements and instigate new growth momentum, as we accelerated the establishment of a world-class “Powerhouse”. We achieved stable-to-rising growth and continued to score outstanding business results. Operating revenue continued to record a double-digit increase, with net profit maintaining favourable growth despite a large base. We have also achieved all-round enhancements to customer value, corporate value and shareholder value.’

Value-oriented Operations Achieved Remarkable Results

We captured the benefits of digital economy development, strove to build a high-quality information services supply system, and steadfastly pursued value-oriented operations that leverage the scale of our business to drive the comprehensive and integrated development of our CHBN markets. All four markets achieved outstanding performance and we have consolidated our leading position in the industry. We have also effectively built our presence in new areas and opened new markets, and customer satisfaction continued to increase.

“Customer” Market: Integrated Operations Generated Stable-to-rising Growth

We deepened the integrated management of data access, applications and customer benefits, and strengthened our scenario-based precision operations, steadily increasing customer scale and value. We accelerated the migration of customers to 5G and strengthened the synergistic expansion between the “Customer” market and the “Home” and

“Business” markets. We have also made efforts to persistently increase 5G customer penetration rate and drive greater personal consumption of information and communications. Moreover, we built a model of platform economy around users’ digital consumption needs, optimizing the integration across products, businesses and scenarios, and vigorously promoting the China Mobile digital superstore, which offers high-quality products, enriched benefits and differentiated brand services to give customers a stronger sense of gain and satisfaction with digital life. In 2022, our “Customer” market saw stable-to-rising growth with revenue reaching RMB488.8 billion, up by 1.1% year-on-year. Mobile customers totaled 975 million, with a three-year-high net addition of 18.11 million customers. In our customer base, 614 million were 5G package customers, with a net addition of 227 million. The number of customers using our integrated-benefit products reached 287 million, a net addition of 96.43 million customers. The number of monthly active users of our cloud product Mobile Cloud Drive recorded a net addition of 30.65 million, bringing the total to 166 million, the second largest in the industry. The number of customers using our 5G new voice over high definition video reached 91.90 million, a net addition of 26.82 million customers. Our range of emerging 5G digital products, including cloud XR (augmented reality), cloud games and 5G ultra high-definition video connecting tones, all started to make value contribution to our “Customer” market. Thanks to the rapid migration to 5G and increased customer digital consumption, mobile ARPU (average revenue per user per month) recorded stable and health growth, up 0.4% year-on-year to RMB49.0.

“Home” Market: Value-oriented Operations Drove Rapid Business Expansion

We strove to tap into the value potential of full-gigabit network and cloud-based applications by cultivating our leadership in broadband, TV and smart home services, and accelerating the transformation and upgrade of our “Home” business to HDICT (home data, information and communications technology, collectively “home informatization solutions”). We pursued leadership in gigabit broadband by speeding up network expansion, application development and service upgrade to establish a reputation for high-quality in this area. We pursued content-driven TV leadership by promoting the upgrade of traditional TV to smart TV, projector and other screen terminals. We optimized the family information services portal, consisting of broadband television, digital cinema and vertical content. We pursued innovation to realize our leadership in smart home services. Through the integrated development of big-screen video-on-demand, smart home network deployment, home security and other high-growth products, and through leveraging new application scenarios such as digital village, smart community, smart household and smart car interior, we established a standardized operating system for HDICT. In 2022, our “Home” market maintained rapid growth, with revenue reaching RMB116.6 billion, up 16.0% year-on-year. The number of household broadband customers reached 244 million, or a net increase of 25.78 million, and continued to lead the industry. Gigabit broadband grew in popularity at a quickened pace, with the number of household gigabit broadband customers reaching 38.33 million. Our mobile HD customer base reached 193 million. Smart home applications continued to make a greater contribution to incremental revenue, with the contribution of smart home value-added business to the incremental revenue of our “Home” market reaching 55.9%. The number of smart home network and home security customers increased by 67.7% and 71.2% respectively year-on-year. Buoyed by bandwidth upgrade and the growth of smart home consumption, household customer blended ARPU increased by 5.8% year-on-year to RMB42.1.

“Business” Market: Bolstered Capabilities Fueled Strong Momentum

We focused our efforts on the integrated development of network, cloud and DICT (data, information and communications technology), comprehensively bolstering our market, product and supporting capabilities. In 2022, our “Business” market revenue maintained rapid growth, reaching RMB168.2 billion, up 22.6% year-on-year. Our corporate customer base reached 23.20 million, a net increase of 4.37 million. The dual engine of cloud and 5G yielded new outcomes, while Mobile Cloud achieved a breakthrough in the proprietary innovation of core technologies such as our cloud computing operating system. These results have helped us establish differentiated advantages in the convergences of cloud and networks, cloud and big data, cloud and intelligence, and cloud and edge computing. Our Mobile Cloud revenue reached RMB50.3 billion, up 108.1% year-on-year. Our comprehensive strength in this area has put us among the top-tier players in the domestic market. By the end of

December 2022, we had signed more than 6,200 major contracts for cloud services, generating revenue of over RMB22.5 billion. We delivered more than 3,700 cloud migration projects for state-owned enterprises and completed a number of benchmark cases for sectors including public administration and healthcare. We accelerated the usage of 5G to empower digital transformation across a plethora of industries, promoting the full commercialization of 5G dedicated network and enhancing the core capabilities of the 9-One Industry Platform. This has helped further reinforce our position as a 5G industry leader. By the end of December 2022, we had signed accumulatively more than 18,000 agreements for 5G commercial projects across multiple sectors, driving the value of DICT contracts to RMB36.5 billion. The revenue from 5G dedicated network reached RMB2.55 billion, an increase of 107.4% year-on-year. We achieved industry leadership in segments including smart mining, smart factories, smart grid, smart hospitals, smart city and autonomous driving. We also tapped into the emerging To V and To G markets. For the To V market, we seized the opportunities in the fast-growing Internet of Vehicles (IoV) market by integrating our resource advantages in network, cloud and map to formulate an overall strategy. As of the end of December 2022, our total number of IoV connections had exceeded 200 million, with an industry-leading share of new energy vehicle connections. For the To G market, we empowered public administration, social governance and services related to people’s livelihoods, securing digital government projects with a total contract amount reaching RMB20 billion in 2022, underscoring our remarkable development in this space.

“New” Market: Innovative Strategy Supported Very Rapid Growth

With a focus on innovation, entrepreneurship and creation, we synergistically developed the four segments: international business, equity investment, digital content and FinTech, accelerating breakthroughs in emerging areas. As a result, the revenue contribution of key business segments increased significantly. In 2022, our “New” market revenue achieved very rapid growth, reaching RMB38.5 billion, up 26.9% year-on-year. In terms of international business, we deepened the synergies between international and domestic markets, speeding up the export of high-quality and mature capabilities to overseas markets and achieving breakthroughs in 5G industry solutions. We further optimized the deployment of international resources, creating a thriving international cooperation ecosystem. Alongside improved globalized operations, our international business revenue reached RMB16.7 billion, up 25.4% year-on-year. In terms of equity investment, adhering to a focus on value contribution, ecosystem formation and synergy creation, we delved into critical sectors through the two-pronged approach of direct investment and investing through funds. Leveraging capital ties, we promoted the mutual empowerment of capital and business, and actively created a family of businesses to drive digital intelligence transformation. The number of enterprises in which we have an equity stake has reached 31. In terms of digital content, we made every effort to build an integrated platform that supports content generation, aggregation and dissemination, and carefully fostered MIGU video, cloud games and other high-quality Internet products while continuing to expand business scale and optimize user experience. Digital content revenue reached RMB21.3 billion, representing a record growth rate of 27.2% year-on-year. Across all platforms, the monthly active users of MIGU video and cloud games grew 67.1% and 29.2% respectively year-on-year. Marketing campaigns around 5G Beijing Winter Olympics and metaverse World Cup achieved outstanding results. In terms of FinTech, driven by scenarios and data, we relentlessly promoted the rapid development of financial services throughout the industry chain, achieving an annual business scale of more than RMB50.0 billion as we serviced more than 600 partners upstream and downstream of the industry chain. Additionally, we continued to deepen the application of big data, artificial intelligence and other digital technologies in finance, accelerating the integration of digital RMB, membership points and other types of differentiating payment capabilities and creating an all-in-one digital consumption portal across all platforms. “and-Wallet” monthly active customers grew 59.0% year-on-year.

We increased our efforts in business innovation, transforming from being connectivity-driven to integrating the three core aspects of connectivity, computing force and capabilities. We refined our business planning to focus on key areas and development trends while upgrading our products and services to a model supported by platforms and ecosystems. We also shifted our development approach towards a scenario-based one and a higher level of convergence. In doing so, we accelerated the comprehensive and effective coverage of our information services markets across verticals and achieved encouraging growth in our digital transformation business. In 2022, our

digital transformation revenue contributed 79.5% to our incremental telecommunications services revenue. Its share of telecommunications services revenue increased to 25.6%, becoming the strongest driver of revenue growth. In terms of industry digitalization, as part of our digital transformation revenue, DICT revenue increased by 38.8% year-on-year to RMB86.4 billion. Of this, big data revenue increased by 96.1% to reach RMB3.2 billion. Revenue from our 5G dedicated network increased by 107.4% to RMB2.55 billion. In the area of personal and household digitalization, our smart home value-added business revenue grew by 43.4% year-on-year to RMB29.7 billion. The revenue of our digital content and FinTech businesses increased by 27.2% and 79.9% respectively.

We are committed to providing exceptional services to our customers by persistently implementing a service system that covers every aspect of services and processes and engages every member of staff. Focusing on customer needs, we further optimized high-quality network perception, high-performance product experience and highly effective services at customer touch points. As a result, our service quality and customer experience continued to improve, with a higher level of customer satisfaction than the industry. We deepened the operation of the 10086 integrated smart service portal, with efforts to strengthen the new scenario of video customer services and deploy other pilot applications of new technologies. These initiatives helped us further improve the level of digitalization in service response and customer interaction. We made full use of the Dayin platform to obtain customer feedback and profile our services to effectively empower perception management and optimization throughout the customer journey. We also promoted service awareness among all employees and launched innovative services and brand communications campaigns. These efforts supported our “Heartwarming Service” brand promise, gaining us widespread recognition.

Accelerated the Build-out of the “Two New Elements”

With a clear focus on the “Two New Elements” of new information infrastructure and new information services system, we adopted a systematic approach to developing 5G, CFN and capability middle platform, which are the key components of the new information infrastructure. Additionally, we established a new information services system that integrates connectivity, computing force and capability. These measures reinforced our digital intelligence foundation and expedited the expansion of our information services.

Comprehensive leadership in dual gigabit premium network. With regard to 5G network, we deepened collaboration with China Broadcasting Network Corporation Limited in the areas of co-construction and sharing of 5G networks to achieve mutual benefits. We coordinated our 700MHz, 2.6GHz and 4.9GHz frequency resources with a scientific approach, and focused on building the base network on the 700MHz frequency band, constructing the 2.6GHz and 4.9GHz frequency bands with precision, and gradually extending indoor coverage. We delivered continuous coverage across urban districts, counties, towns and villages nationwide, establishing the world’s largest 5G standalone (SA) network and further solidifying our leadership position in 5G. In 2022, our investments in 5G network totaled RMB96 billion. We have accumulatively put into use 1.285 million 5G base stations, including 480,000 700MHz 5G base stations. We provided services to 330 million 5G network customers and played a role in promoting the scale development of 5G industry applications in various segments, effectively meeting the growing demand in data consumption in the mass market and empowering a wide array of industries in our “Business” market. Furthermore, we continued to drive 5G technology innovation, leading accumulatively 197 5G international standards-setting projects. This achievement has placed us among the top-tier global operators. We accelerated the evolution of 5G technology toward network intelligence, communications and experience integration, and space-ground integration. With a clear focus on customer demand, we precisely built out the full-fiber gigabit broadband network to address different scenarios in different regions. This has improved our broadband capabilities effectively and earned us a strong reputation for network quality. Our Optical Line Terminal (OLT) platforms in urban areas boast 100% gigabit capability, and we have extended this capability to townships and villages. In those areas our gigabit capability coverage reached 90%. Drawing on our strength in Gigabit Passive Optical Network (GPON) technology, we flexibly combined both GPON and 10G GPON networks for high-bandwidth transmission. As a result, our gigabit coverage has reached 260 million households.

Continuous optimization of our CFN deployment. We have taken proactive actions to implement the national strategy of “eastern data and western computing”. By turning CFN from a conceptual prototype into an industry deployment, we maintained our leadership in CFN infrastructure. As we continued to refine the intensive and hierarchical structure of “4+N+31+X”, we increased the number of IDC cabinets available for external use to 467,000, a net addition of 60,000 cabinets. Additionally, we furthered the convergence of cloud-network-edge and rapidly expanded the diversity of our computing resource capabilities. We enhanced the high-speed intelligent connection of computing force and network, and the total number of cloud servers for deployment exceeded 710,000, representing a net increase of more than 230,000 units. We have also delivered a total computing capacity of 8.0 EFLOPS, a net addition of 2.8 EFLOPS. Regarding the application of our computing force products, we pursued the “computing force faucets” strategy by speeding up the integration of CFN capabilities and business innovation to promote scale growth and the realization of commercial value. In the mass market, we completed the upgrade of computing force of five key products including Mobile Cloud Drive and cloud games, and launched computing terminal products such as cloud phones and cloud Mobaihe. We also developed a range of technology applications for multiple sectors, through means including the fusion of the metaverse concept with winter sports in the Winter Olympics and interactive cultural tourism. In the “Business” market, we built out a comprehensive CFN product system for our customers, securing agreements with key customers in businesses aligning with the strategies of “eastern data and western storage”, “eastern TV filming and western post-production”, and others. We introduced task-based services, upgraded our dedicated cloud network, and promoted cloud Internet and other cloud-network integration products. Additionally, we expanded our solutions for industry such as unmanned mining, port remote control and industrial quality inspection. We have developed CFN technology standards and industry specifications from scratch. Moreover, we fostered the systematic development of the CFN and promoted the adoption of CFN standards among top-tier industry players. Supporting this goal, we led 97 standards-setting projects in domestic and international organizations and co-founded the world’s first CFN open-source community. Our coordination and leadership capabilities have enabled us to collaborate with over 30 partners in the development of a national pilot CFN to test more than 30 scenarios centering ten key technologies. These typical scenarios covered areas including “eastern data and western computing”, supercomputing and smart computing, and social CFN integration. The pilot network represented a joint force to build the scientific foundation for the CFN.

Accelerated development of our capability middle platform. We focused on scaling our capability middle platform while ensuring its precise operation. This enhanced our ability to apply the platform’s capabilities both internally and externally, ultimately speeding up commercial value realization and supporting the broader goal of empowering cloud migration, digitalization and intelligent transformation across society. For our service offering, we leveraged general capabilities that can be applied within and outside of our organization, such as artificial intelligence, blockchain and precise positioning, to build the centralized sharing model. This model will enable service output, inclusion and development of new capabilities, and integrated application, elevating the platform’s role as a one-stop-shop for digital intelligence empowerment. As of the end of December 2022, we had included 889 middle platform capabilities, which had been deployed 13.74 billion times per month on average. The number of deployments has increased by 68.4% year-on-year, and through value generation from our capabilities, we created a value of more than RMB10 billion for the year. Furthermore, through building an AaaS+ ecosystem for users across society, we continued to scale up industry collaborations to empower the transformation and upgrading of various sectors. In terms of big data applications, we launched three categories of standardized products, namely Wutong Risk Control, Wutong Outreach and Wutong Insight, and have put them into commercial trials across our entire network. We developed big data solutions for various sectors including finance, transportation, public administration, and cultural tourism. Regarding intelligent operations, we adapted to the needs of business transformation and upgrade to further enhanced the function of IT service in empowering our operations. We made significant progress in various fields, including supporting CHBN business integration and development, precise customer service management, intelligent network security operations, management efficiency enhancement and the accelerated development of our digital intelligence foundation. As a result, we

were able to leverage digital technology to drive cost savings, achieving a total cost reduction of over RMB3.8 billion for the year.

Breakthrough in information services offering. As we increase our focus on product innovation for our new information services system surrounding connectivity, computing force and capability, we improved the mechanism of the Product Management Committee, enabling us to develop and plan our products from multiple sources, thereby accelerating the critical role of products as a key leverage in value operations. In the mass market, the number of users of our 13 products, including MIGU Video, cloud games and big-screen video-on-demand, exceeded 100 million. The customer base for six of our products, including video connecting tones, home security services and mobile authentication services, topped the industry, reflecting enhanced customer retention and value. In the “Business” market, the service capability of our Mobile Cloud across all platforms was industry leading. We have built a total of 8 3AZ high-quality resource pools, offering the greatest diversity of one-point access resources in the industry. We have achieved full-stack capability for autonomous control and our core products boasted unparalleled performance. The market share of our public cloud revenue ranked top six in the domestic market, while our dedicated cloud and edge cloud ranked third and first respectively. We formed a strong alliance with industry partners to build a distinctive security product system. Our key security products, including those related to dedicated line services, have entered into commercial trials across the entire network, continuously enhancing our capability in security solutions. In addition, we made significant progress in the development of our 9-One Industry Platform, which has emerged as a critical pillar of our operations, creating more than 800 core functions and supporting delivery of more than 1,100 5G projects in total. The pan-terminal and omni-channel sales alliance helped us recorded a total terminal sales volume of 87.92 million units (inclusive of handset sales) during the year. Through our efforts, we have greatly increased the popularity of 5G terminals and further enhanced our industry impact.

Future Outlook

With the new wave of technological revolution and industry transformation, our society is moving at full speed toward a new phase of development driven by information and characterized by the deep integration of information and energy. The integrated innovation of information and energy has become the key catalyst for human civilization to progress and the engine for the digital economy to prosper. This new cycle of growth not only presents unprecedented opportunities for the information and communications sector, but also sets us higher standards in terms of providing better quality information services and optimizing our business structure.

Mr. Yang Jie, Chairman of the Company commented, ‘Faced with both opportunities and challenges, we will fully, accurately and comprehensively align with new principles to ensure we contribute to the new development paradigm. We will proactively put our “1-2-2-5” strategy into practice, anchoring ourselves to the “one position” of a world-class information services and sci-tech innovation enterprise, while speeding up the “two changes”, which are the shift from quantitative leadership based on scale to qualitative leadership focused on improving effectiveness and efficiency, and the shift from delivering business results in the short-to-mid-term to achieving value growth in the mid-to-long-term. Together as one team, we will foster the “two new elements”, systematically building a new information infrastructure centering 5G, CFN and capability middle platform, while developing a new information service system of “connectivity, computing force and capability”. We will unleash the “five benefits” through innovation, customer recognition, reforms, talent and ecosystem. In doing so, we aim to achieve high-quality and sustainable development, and strive to maintain favourable growth in revenue and net profit to consistently create greater value for our shareholders and customers.’

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