



PRESS RELEASE

For Immediate Release

CHINA MOBILE ANNOUNCES 2020 INTERIM RESULTS

Turned Crisis into Opportunity amidst COVID-19 **Implemented Full-fledged “5G+” Plan**
Achieved Remarkable Strategic Transformation **Maintained Stable Operating Results**

Highlights

- Took active steps to tackle challenges and maintained stable operating results
- Achieved remarkable strategic transformation, growth drivers continued to gain momentum
- Accelerated 5G development through full implementation of the “5G+” plan
- Turned negatives into positives and seized opportunities amidst crisis, leveraging 5G to support COVID-19 prevention and control efforts
- Made advance planning and targeted investments, actively promoting the construction of new infrastructure
- Extended reforms to management mechanisms and systems, boosting organizational vitality and efficiency
- Drove digital innovation across-the-board and established a world-class enterprise by building a dynamic “Powerhouse”

Operating Performance

	1H 2019	1H 2020	Change
Operating revenue (RMB million)	389,427	389,863	0.1%
Of which: Revenue from telecommunications services (RMB million)	351,425	358,230	1.9%
EBITDA (RMB million) ¹	151,147	145,710	-3.6%
Profit attributable to equity shareholders (RMB million)	56,063	55,765	-0.5%
Basic earnings per share (RMB)	2.74	2.72	-0.5%
Dividend per share- interim (HK\$)	1.527	1.53	0.2%
Total mobile customers (million)	935	947	1.3%
Of which: 4G customers (million)	734	760	3.5%
5G package customers (million)	N/A	70	N/A
Mobile ARPU (RMB)	52.2	50.3	-3.7%
Wireline broadband customers (million)	175	197	12.7%
Of which: Household broadband customers (million)	162	181	11.8%
Household broadband blended ARPU (RMB)	35.0	35.4	1.0%

1. EBITDA = profit from operations + depreciation and amortization

(Hong Kong, 13 August 2020) –The unexpected occurrence of COVID-19 in the first half of 2020 not only created an enormous impact on the economy and society but also cast a pall over our operations. It has nevertheless given rise to a surge in demand for informatization in every industry sector and created new growth opportunities for the Company. China is actively promoting the construction of new infrastructure and is undergoing further integration of information communication technologies into every aspect of the economy, society and people’s livelihood. These developments have led to the acceleration of digitalisation of the economy and society. Meanwhile, competition and cooperation from both inside and outside of the industry, alongside the progressively clearer trend of industry convergence, have conspired to create an increasingly complex and volatile business development landscape which requires us to take our operations to the next level. Whilst this has been a time to face up to difficulties and challenges, we have spared no effort in seeking opportunities from the crisis and turning negatives into positives. In fact, our overall operating results have remained stable.

In the first half of 2020, we recorded operating revenue of RMB389.9 billion, an increase of 0.1% year-on-year. Of this, telecommunications services revenue reached RMB358.2 billion, up by 1.9% compared with the same period last year. We posted EBITDA of RMB145.7 billion, down by 3.6% compared with the first half of 2019. This represents an EBITDA margin of 37.4%, or a decrease of 1.4 percentage points year-on-year. Profit attributable to equity shareholders reached RMB55.8 billion, or RMB2.72 per share, marking a 0.5% year-on-year decline. These results reflect our leading position in profitability among top-tier global telecommunications operators.

We are steadfast in our goal of consistently creating value for shareholders. In order to create higher returns for our shareholders who should benefit from our operating gains, the Company has decided to pay HK\$1.53 per share for the 2020 interim dividend.

Mr. Yang Jie, Chairman of the Company commented, ‘At present, the world is experiencing a global health crisis. Although COVID-19 has come under control in China, it has created serious repercussions for economic and social development. Yet, we believe that crisis and opportunity always appear at the same time. The actions taken as a response to COVID-19 will catalyze and accelerate a new round of technological revolution and industrial transformation, that will further the digitalization of both the economy and society. As a responsible corporate citizen, we have been actively participating in COVID-19 prevention and control in all sectors of society, as well as taking practical actions to facilitate the resumption of work and production to support the government, customers, up- and down-stream supply chain partners and our employees. Making full use of our information technology advantages in areas including 5G, cloud computing and big data, we are committed to providing reliable communications, maintaining service continuity and taking comprehensive prevention and control measures in the fight against COVID-19. As we navigate this challenge, our confidence in the ability to build a better digital future is further cemented.’

Mr. Yang Jie added, ‘So far in 2020, we have adhered to our development strategy of becoming a world-class enterprise by building a dynamic “Powerhouse”, working hard to expand our business from communication services to information services and to shift our business focus from mobile market to the more encompassing CHBN “four growth engines”: the “customer” (C), “home” (H), “business” (B) and “new” (N) markets. We have also adopted a new development approach focusing on innovation-driven business transformation and upgrade instead of traditional growth drivers that rely on factors of resources. We attach great importance to customer interaction and trust, deepening our collaboration with all parties to achieve win-win situations within the industry and promoting long-term sustainable development of the Company. Our growth has only been made possible by the support of all shareholders, customers and members of the general public, as well as the dedication and relentless efforts of China Mobile employees at all levels.’

Advancing the Coordinated Development of CHBN Markets

In response to the changes brought by the accelerating digital transformation of the economy and society, we have spearheaded and expedited the coordinated development of the CHBN “four growth engines”. Our intention was to seize opportunities arising from the penetration of new-generation information technology into various fields of the economy and society. Fully leveraging 5G, cloud computing, AI (artificial intelligence) and data centers, we aimed to better satisfy demands for the transformation of the economy and society, as well as meet people’s needs for a more fulfilling digital life. Our next step is to focus on strengthening and upgrading our existing businesses, exploring new areas for growth, optimizing revenue structure and achieving high-quality growth.

With regard to the “customer” market, as the leading operator in terms of the number of mobile users, we actively promoted rational industry competition with a returning focus on value. We stepped up efforts to improve our own network services and brand operations, striving to build competitive advantages that truly differentiate us. By revamping our customer value operating system, we have strengthened customer development using cases, promoted value uplift based on business scale and fostered innovative practices on brands and customer interest management, which further increased the value that could be driven from existing customers. Fully leveraging our leading role in 5G, we have placed a focus on tariff plans and devices, taken steps to encourage customers to subscribe to our 5G packages using 5G devices, accelerated 5G migration and promoted the development of 5G with an emphasis on both quantity and quality. As of the end of June 2020, we recorded a total of 947 million mobile customers. Of this, the numbers of 4G customers and 5G package customers reached 760 million and 70.20 million respectively. In the first half of the year, although our mobile ARPU (average revenue per user per month) went down by 3.7% year-on-year to RMB50.3, the decline rate was further flattened. Our DOU (average handset data traffic per user per month) rose by 39.7% to 8.6 GB.

Within the “home” market, we are shifting from leading in scale to leading in smart home operations. We firmly believe network quality and customer service is fundamental to this area and will spare no effort to improve them. Firstly, we adhered to leading in gigabit broadband and building a broadband network to enhance the quality of our household network. Secondly, we carried out end-to-end quality optimization initiatives to raise the level of our one-stop service offerings including installation, maintenance, operation and customer service. Thirdly, we placed great emphasis on capitalizing value, striving to optimize smart home operations in order to generate more value for our customers. Centering on our goals of building smart connection over the entire network and realizing home intelligence and family sharing, we worked to strengthen the value we provide through connection and promote the growth of different smart home businesses, such as “Mobaihe”(a set-top box that provides high-definition video-on-demand service), smart home network deployment, home security and smart voice remote controls. In the first half of 2020, our household broadband customers drew a net increase of 8.95 million and reached 181 million. Among them, “Mobaihe” registered a total of 130 million customers, representing a penetration rate of 72.1%. Meanwhile, household broadband blended ARPU continued to increase and reached RMB35.4, representing a year-on-year increase of 1.0%.

We view the “business” market as a “blue ocean”— the main driver of our revenue growth. We persistently promoted the development of “Network + Cloud + DICT” information services especially for key business areas including smart cities, smart transportation and industrial Internet. Our “Leading in 5G” thematic campaign formed part of our efforts to promote 5G demo industry applications and build up our 5G capabilities. Specifically, we have created more than 100 industry-leading group-level demo projects and more than 1,400 province-level feature projects, and these projects have gradually gained traction following our promotion efforts in 15 industry segments. Our implementation of “Cloud business: going all out to win” thematic campaign was another example reflecting our determination to expedite deployment of cloud resources. To enrich our product portfolio, we have adopted a dual approach that utilizes internal product research and development capability and introduces products from external parties. In the first half of 2020, mobile cloud revenue reached RMB4.46 billion, leapt by 556.4% year-on-year. At the same time, we have

extended reforms of corporate market operations, putting an emphasis on customer demands while bettering our product R&D system and service support system. In the first half of the year, our number of corporate clients reached 11.29 million, a net increase of 1.01 million from the end of 2019; revenue from DICT including IDC, ICT, mobile cloud and other corporate applications and information services reached RMB20.9 billion, up by 55.3% year-on-year.

The four major areas of our “new market” including international business, equity investment, digital content and financial technology are important vehicles supporting the transformation and upgrade of the Company. Our approach is to drive the development of international business and further expand our operations across the globe with the dual engines of “investment + business”. In the first half of this year, international business revenue reached RMB5.65 billion, an increase of 26.1% year-on-year. Equity investment is an important means for us to increase capital efficiency and our principle is to increase value contribution, construct ecology and unleash synergy with our operations through making investments. We endeavored to improve the investment platform for mergers and acquisitions, equity participation and venture capital. We further improved the “direct investment + fund” collaboration model and expected to play a more important role in areas such as 5G, cloud computing, digital content, ICT, security services and business internationalization. We continued to explore content services and Internet finance so as to cultivate high-quality Internet products and continuously increase market influence. In the first half of the year, the monthly active users of the MIGU video platform increased by 114.8% year-on-year, the users of video connecting tones exceeded 100 million, and the number of monthly active users of “and-Wallet” increased by 92.2% year-on-year.

Accelerating 5G Development through the Full Implementation of the “5G+” Plans

The construction of new infrastructure driven by the move to 5G is leading the digitalization, intelligent upgrade and integrated innovation of China’s economy and society.

As of the end of June 2020, China Mobile has accumulatively deployed and put in use 188,000 5G base stations in over 50 cities in China to provide commercialized 5G services. We have successfully connected 5G on Mount Everest and in deep mines, offering reliable communications services for elevation measurement at Mount Everest and smart management in coal mines. In the area of 5G standardization, we actively played a role in the timely announcement of R16, an international standard that fully supports 5G application scenarios, in order to accelerate the maturity of SA (Standalone) standard. We also worked to speed up the construction of the 5G SA core network to lay a foundation for achieving the scale commercialization of SA within this year. In the first half of 2020, CMCC, our Parent Company, signed a collaborative framework agreement in relation to 5G co-construction and sharing with China Broadcasting Network Corporation Limited. We are hopeful that both parties will further detail their arrangements in areas such as joint construction, opening up and sharing, as well as content channels in order to achieve mutually beneficial results.

While endorsing 5G network construction, we also put an increased focus on accelerating the promotion of 5G applications. In order to meet the needs of the mass market, we launched feature services such as ultra-high definition live broadcasts, cloud-based games and cloud VR solutions which are intended to be exciting and engaging, as well as providing the highest quality information and telecommunications services for our customers. We have also released a 5G messaging white paper which explores a new business model, messaging ecosystem and traffic entry for 5G applications. On-site pilot tests on 5G messaging services are currently underway in certain areas. In the vertical market, we have launched various 5G demo applications for 15 core segments, including smart factory, smart power grid, smart steel, smart port and smart mine. Meanwhile, we have nurtured 5G generic competencies applicable to various industry sectors and expedited the construction of 5G platforms especially for nine major vertical sectors including OneCity smart city and industrial Internet. We have initially completed the design of dedicated 5G network products and launched a thematic campaign which sets sail for the development of 5G modules.

In this exceptional period of COVID-19 prevention and control, the norms of working and living have been significantly disrupted. The use of information technology has become crucial as people turn to high-quality alternative solutions with 5G at the forefront of this trend. 5G remote medical services have made “face-to-face” treatment possible despite being miles apart. 5G online education has enabled classes to resume and students to continue learning during school closures, 5G smart factory has enabled unmanned production or helped minimize the number of operating personnel required. Other applications, such as the 5G thermal imagery temperature measurement system, 5G self-driving logistics vehicles and 5G remote operation and control, have all played an important role in enabling the resumption of work and production. We also witnessed rapid adoption in areas including cloud office, cloud videos and cloud commerce. As the major builder, advocator and provider of 5G applications, we recognize the enormous potential and infinite possibilities presented by 5G in spurring a new smart era of the digital economy. We will continue to serve the public and strengthen our leading position by further implementing our “5G+” plans, integrating 5G into every industry and every walk of life.

Promoting Convergence, Integration and Digitization to Refresh Business Transformation and Upgrade; Boosting Capability, Collaboration and Organizational Vitality to Generate New Momentum toward Reform and Innovation

In light of rapid economic and social transformation and a fast-changing competitive landscape, the inevitable process of change and adjustment may be painful in the short-term but is conducive to the long-term sustainable development of the Company. With the focus on the three elements of “convergence, integration and digitization”, we made a timely adjustment to our business model and moved the focus to establishing a scale-based and value-oriented operating system that would support our on-going transformation and maintain our sustainable growth. We extended our scale by fully embracing convergence, managed to achieve significant advantages through integration and enhanced our efficiency through digitization. To maximize the benefits of our value-driven operating system, built on the principles of convergence, integration and digitization, we are committed to promoting the effective coordination of our organizational structure, operating mechanisms and strategies to realize long-term dynamic matching. To this end, we continued to optimize our effective and synergetic operating system and promote our capability, collaboration and organizational vitality to further unleash potential. Thanks to these efforts, our core capability continued to grow. We continued to enhance development driven by collaboration and boosted organizational vitality effectively.

Future Outlook

China is currently accelerating the construction of new infrastructure such as 5G network and data centers, and promoting in-depth integration of information communication technologies into the economy, society and people’s livelihood. These developments have turned out to be a catalyst in accelerating economic and social transformation, shaping a new landscape of “five verticals and three horizontals”. The verticals represent the emergence of five key application scenarios, which are a result of the rapid penetration of information technology in the economy and society. This specifically refers to the digitalization of infrastructure, social governance, production, ways of working and lifestyle. The horizontals refer to the three common demands that arise from the digital transformation of the economy and society, namely online operations, intelligentization and cloudification. “Five verticals and three horizontals” represents how the scope and application of innovation within information technology is expanding from specific areas to the whole network end-to-end. This is reaching both up- and- down stream of the industry value chain, extending from partial domains to all fields of the economy and society. This positive trend will result in a significant enhancement of the overall level of economic and social innovation while productivity will experience a forward leap in terms of growth. As a result, new momentum will be generated for the digital economy and we will enter a development phase for the information and telecommunications industry. According to

estimates by relevant institutions, the growth of China's digital economy will reach RMB60 trillion while the revenue of software and information service industry will reach RMB13.1 trillion by 2025, demonstrating vast market potential. 5G, as the key pillar supporting information flow within society, the accelerator for industrial transformation and upgrade, as well as the cornerstone for the development of the digital society, will contribute to the new landscape of "five verticals and three horizontals". As we look to the period ahead of us, this promises a much broader space for growth and huge opportunities for the Company.

Looking forward with certainty on the inevitable prosperous future of digitalization, China Mobile will continue to strive for stable growth, and implement our strategy of becoming a world-class enterprise by building a dynamic "Powerhouse". Centering on the key strategy of high-quality development, we will focus on transforming and upgrading the business while devoting an ongoing effort to reform and innovate. Our emphasis will remain on implementing our "5G+" plans, forging convergence, integration and digitization across all of our operations and building capabilities, establishing collaborative relationships and infusing vitality into the organization. As we stimulate digital innovation in networks, products, technology and ecosystem in this 5G era, we are demonstrating our dedication to contributing our strength to economic and societal development, and continuously creating greater 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.