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CHINA MOBILE LIMITED

中國移動有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

Stock Codes: 941 (HKD Counter) and 80941 (RMB Counter)

2024 INTERIM RESULTS

- Operating revenue was RMB546.7 billion, up by 3.0% year-on-year; of which, revenue from telecommunications services was RMB463.6 billion, up by 2.5% year-on-year
- Digital transformation revenue reached RMB147.1 billion, up by 11.0% year-on-year, contributing 31.7% of telecommunications services revenue
- Profit attributable to equity shareholders was RMB80.2 billion, up by 5.3% year-on-year
- Total number of mobile customers exceeded 1 billion; of which, number of 5G network customers was 514 million; mobile ARPU reached RMB51.0
- Total number of wireline broadband customers was 309 million; of which, number of household broadband customers was 272 million; household customer blended ARPU reached RMB43.4
- Payment of an interim dividend of HK\$2.60 per share was declared, up by 7.0% year-on-year

CHAIRMAN’S STATEMENT

Dear Shareholders,

In the first half of 2024, despite various challenges faced by the Company with a complex external environment, we worked closely together and forged ahead with determination as a strong team to seize the important opportunities brought by developing new quality productive forces to the information services industry. We relentlessly pursued the “1-2-2-5”¹ strategy, collectively fostered the “Two New Elements” featuring smart digitalization infrastructure and smart info-service spectrum, and robustly implemented the “BASIC6”² and “AI+” initiatives. Thanks to these concerted efforts, we have significantly strengthened our capability to supply information services. Our business operations and development maintained stable progress with an upward momentum, and our efficiency and effectiveness saw ongoing growth. We achieved significant digital-intelligent transformation, marking new milestones on our journey to high-quality development. These results were truly hard-earned.

2024 Interim Results

In the first half of 2024, our operating revenue was RMB546.7 billion, with a growth of 3.0% year-on-year. Of this, our telecommunications services revenue accounted for RMB463.6 billion, an increase of 2.5% year-on-year. Total connections³ surpassed 3.50 billion, with a net addition of 150 million. In the CHBN⁴ markets, HBN revenue accounted for 45.0% of telecommunications services revenue, an increase of 2.3 percentage points year-on-year. Our digital transformation revenue⁵, as the “second curve” of revenue growth, reached RMB147.1 billion, an increase of 11.0% year-on-year. It accounted for 31.7% of telecommunications services revenue and represented an increase of 2.4 percentage points year-on-year.

¹ Anchoring ourselves to “one single position” of a leading innovator in digital technology and information services; speeding up the “two changes”, which are the shift from quantitative leadership based on scale to qualitative leadership with a focus 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. We will collectively foster the “Two New Elements”: systematically building smart digitalization infrastructure centered on 5G, Computility Network (CN) and the integration platform, and developing smart info-service spectrum of connectivity, computility and capability. We will proactively unleash the “five benefits” through innovation, customer recognition, reforms, talent and the ecosystem.

² BASIC6 stands for: B-Big data, A-AI, S-Security, I-Integration platform, C-Computility network, 6-6G.

³ The total number of connections includes the connections of mobile phones, wireline broadband, IoT cards, home devices and industry devices.

⁴ CHBN refers to the “Customer” market (C), the “Home” market (H), the “Business” market (B), and the “New” market (N).

⁵ Digital transformation revenue includes the revenues from new businesses from the “Customer” market (China Mobile Cloud Drive and others); the revenues from smart home businesses from the “Home” market; the revenues from DICT, IoT and dedicated lines businesses from the “Business” market; and the revenue from the “New” market (excluding revenue from international basic business).

Profit attributable to equity shareholders was RMB80.2 billion, an increase of 5.3% year-on-year, and earnings per share were RMB3.75. EBITDA⁶ was RMB182.3 billion, and as a percentage of telecommunications services revenue, was 39.3%. Annualized return on equity (ROE) increased by 0.3 percentage points year-on-year to 11.8%, and we maintained industry-leading profitability among top-tier global telecommunications operators. Capital expenditure totaled RMB64.0 billion. Free cash flow amounted to RMB67.4 billion.

To create higher returns for our shareholders and share the results of our growth, after giving full consideration to the Company's profitability, cash flow generation and future development needs, the Company has decided to pay HK\$2.60 per share⁷ for the 2024 interim dividend, representing an increase of 7.0% year-on-year. For the full year of 2024, profit to be distributed in cash as a percentage of the profit attributable to equity shareholders of the Company⁸ will further increase from that of 2023. The Company will continue to create more value for shareholders.

⁶ EBITDA = profit from operations + depreciation and amortization.

⁷ Dividends on A shares will be paid in RMB in the amount of RMB2.3789 per share, applying an exchange rate of HK\$1 to RMB0.914962, which is equal to the average of the mid-prices of HK\$ to RMB as announced by the People's Bank of China during the one week before the day on which the Board declared the interim dividend.

⁸ The basis of profit distribution of the Company is the profit attributable to equity shareholders under IFRS Accounting Standards.

Value-oriented Operations Continued to Progress with Emphasis on Strategy

We broke into new areas in the information services market, continued to advance scale-based and value-oriented operations and drive the comprehensive and integrated development of our CHBN markets in a well-coordinated manner, further consolidating our competitive edge.

“Customer” Market: Integrated Operations to Fortify Business Foundation

We continued to integrate data access, applications and customer benefits. 5G customers represented a growing share of our overall customer base as a result of unleashing the synergies of CHBN markets, together with our redoubled efforts to strengthen value retention of mid-to-high-end customers and deepen the innovation of scenario-based operations. Our “Customer” market maintained stable, with revenue reaching RMB255.2 billion in the first half of 2024. Mobile customers exceeded one billion, with a net addition of 9.26 million customers. Of which, our 5G network customer base reached 514 million, representing a net addition of 49 million and accounting for 51.4% of the overall customer base. Revenue from personal China Mobile Cloud Drive increased by 47.7% year-on-year to RMB4.8 billion. The number of customers for integrated-benefit products⁹ reached 315 million, with the corresponding revenue of RMB14.0 billion, up by 37.2% year-on-year. The number of customers using our 5G New Calling over high-definition video reached 129 million, of which, smart application subscribers amounted to 11.82 million. Our M-zone Mango Card products recorded total sales volume of 21.55 million, demonstrating its popularity among young customers. Mobile ARPU (average revenue per user per month) maintained a leading position in the industry and amounted to RMB51.0.

“Home” Market: Extended Services with Greater Value

We pursued the development of a smart home ecosystem featuring full-gigabit network. With China Mobile *Aijia* (AI Home) brand as the guiding force, we have strengthened the upgrade of our existing customers and the integration of different operations, and actively created new growth drivers such as FTTR (Fiber to the Room) and HDICT (home data, information and communications technology, collectively “home informatization solutions”). As a result, our “Home” market generated favorable growth, with revenue for the first half of 2024 reaching RMB69.8 billion, an increase of 7.5% year-on-year. The number of household broadband customers reached 272 million, or a net increase of 8.48 million customers, maintaining our industry leadership. Gigabit broadband customers accounted for 33.5% of our household broadband customer base, an increase of 3.5 percentage points from the end of 2023. Mobile HD customers reached 208 million, with the corresponding revenue reaching RMB15.1 billion, up by 5.7% year-on-year. The numbers of smart home network and home security customers were 152 million and 58.64 million respectively. FTTR customers surged by 296.4% year-on-year to 5.05 million, and HDICT solutions attracted 35.52 million customers, an increase of 70.1% year-on-year. Household customer blended ARPU reached RMB43.4, representing an increase of 0.2% year-on-year.

⁹ This refers to the number of normal on-net customers who have subscribed to our benefit products, including benefit-only package products, telecommunications + benefit package products and paid members of our benefit superstore. Duplicate customers within the benefit business are removed.

“Business” Market: Deep Cultivation of the Industry with Enhancements to Scale and Quality

We advanced the integrated development of our network, cloud and DICT (data, information and communications technology), built innovative “AI+DICT” service capabilities, proactively established an operation system that is standardized and product-driven for effective management of platform-based solutions, and tapped into high-value areas of our corporate customer base. In the first half of 2024, our “Business” market revenue maintained favorable growth and reached RMB112.0 billion, up by 7.3% year-on-year. Our corporate customer base reached 30.38 million, a net increase of 2.01 million. Our share of contracts won in open tenders amounted to an industry-leading 18.4%. We successfully developed “standardized, product-driven and platform-based” solutions that cater to 30 business segments, cultivating 58 core capabilities and expanding over 500 projects. China Mobile Cloud maintained its position as a top-tier cloud services provider, and fully leveraged this advantage and competencies in the integration between cloud on the one hand and network, data, intelligence, edge computing and security on the other. China Mobile Cloud revenue reached RMB50.4 billion, an increase of 19.3% year-on-year. Within this, the revenue market share of IaaS+ PaaS sat comfortably in the industry top five. We maintained leadership in 5G applications for vertical industry sectors, signed an accumulative figure of more than 40,000 agreements for 5G commercial projects, and achieved remarkable scaled development across multiple sectors including smart cities, smart factories, smart parks, and smart campuses, which helped generate 5G dedicated network revenue of RMB3.9 billion, an increase of 53.7% year-on-year.

Our Internet of Vehicles (IoV) market in the “To V” market obtained breakthroughs in scale. The net increase of IoV factory-installed connections reached 7.29 million, accumulating to 57.91 million. The usage of 5G+ *Beidou* high-precision positioning reached 1.7 trillion times. We enriched the “people-car-home” service offering and entered channel partnerships with 10 top-tier car makers. We also participated in the “vehicle-road-cloud integration” pilots in cities. In the “To G” market, alongside a deepened market expansion, we have accumulated digital government capabilities and released the *Jiutian* massive-computing large model v3.0 for public administration. We have also deeply participated in the construction and operation of multiple key digital cities at the provincial and municipal levels, delivering exemplary benchmark projects. For the first half of 2024, accumulated contract value exceeded 12.6 billion, an increase of 13.8% year-on-year. We tapped into the growth potential of the corporate market, making efforts to build a “terminal, network, cloud, data” product system. We developed 15.80 million corporate packages targeting specifically at SMEs, a net increase of 10.75 million. We actively explored new business opportunities by accelerating deployment of the planning and competencies for the low-altitude economy, aviation Internet and air-ground business.

“New” Market: Increased Contribution with Scaled Development

Thanks to larger business scale, higher effectiveness and better brand building, our “New” business witnessed rapid growth. Revenue from our “New” market reached RMB26.6 billion in the first half of 2024, an increase of 13.2% year-on-year. In terms of international business, we deepened the synergies between international and domestic markets. We increased the export of high-quality product capabilities and 5G solutions to overseas markets to serve the construction of the “Belt and Road”, while upgrading our digital infrastructure overseas and further strengthening our international ties. In the first half of 2024, our international business revenue reached RMB11.8 billion, an increase of 16.3% year-on-year. In terms of equity investment, we focused our strategy in areas such as strategic emerging industry clusters, future strategic industries, and digital transformation of industries, amplifying the role of capital in connecting and empowering the industry value chain. In terms of digital content, we strengthened our “content, technology and integrated innovation” operating model, refining core products such as MIGU Video while developing core atomic-level capabilities for digital products including digital humans in the metaverse, XR+ naked eye 3D display and digital space. Digital content revenue reached RMB14.5 billion in the first half of 2024, or growth of 11.3% year-on-year. The number of monthly active users for our cloud games across all platforms reached an industry leading 123 million. In terms of FinTech, we took full advantage of the role of finance in empowering and promoting business growth throughout the industry value chain, achieving a business scale of RMB37.9 billion in the first half of 2024, an increase of 72.1% year-on-year, and serving 55.5% more enterprises. We created an all-in-one digital consumption portal across all platforms, driving growth in monthly active customers of “and-Wallet” transactions by 15.8% year-on-year.

We placed customers at the heart of our business and spared no effort in developing new digital services for all scenarios across multiple modes and sectors, ensuring rapid and steady development of digital transformation. In the first half of 2024, the digitalization revenues from our “Customer”, “Home” and “Business” markets grew by 34.6%, 4.5% and 7.9% year-on-year respectively. Of which, DICT revenue increased by 8.4% year-on-year to RMB65.2 billion. Meanwhile, “New” market digitalization revenue increased by 9.7% year-on-year.

Accelerated the Advancement of the “Two New Elements” with Upgrades on Smart Digitalization Infrastructure and Smart Info-service Spectrum

We took on the responsibility of being a leading force behind China’s leapfrog development of science and technology, making active contributions to the building of “Cyberpower” and “Digital China”. We have continuously strengthened the foundation of digital-intelligent foundation.

Continued to optimize our smart digitalization infrastructure. *We built upon our leadership in dual gigabit network* to create a competitive edge in 5G network and deepen the co-construction and cooperation with China Broadcasting Network Corporation Limited. In the first half of 2024, our investments in 5G network totaled RMB31.4 billion. Accumulatively to the end of June 2024, we have brought into use more than 2.29 million 5G base stations, including 705,000 700MHz 5G base stations. We spearheaded the scaled deployment of 5G-A technology with a focus on enhancing capabilities in areas including RedCap, 3CC (3 Component Carriers), and integrated sensing and communications. The commercial deployment of 5G-A is already in place in more than 280 cities and will be expanded to more than 300 cities within the year. We built out our gigabit broadband capabilities with precise scenarios in mind. As of the end of June 2024, our gigabit platform capability is available in 100% in urban areas across the country and over 97% in villages. Our gigabit network has covered 438 million households. In the meantime, the Company is accelerating the upgrade of the network infrastructure to space-air-ground integration, promoting the deep integration of aviation Internet and satellite Internet with the ground network. *We pioneered the deployment of our computility network* with leading technology at scale, proactively implementing the national strategy of Eastern Data and Western Computing. We have laid the groundwork to establish a nationwide computility network that is unparalleled in both technological capabilities and scale, and continued to improve general computility, achieving a capacity of 8.2 EFLOPS (FP32). We accelerated the development of intelligent computility, achieving a capacity of 19.6 EFLOPS (FP16). We continued to optimize our “N+X”¹⁰ multi-layer and full-coverage deployment of intelligent computility capability. The first batch of 13 intelligent computing center nodes in Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing have been put into operation. We have established the world’s first 400G full backbone OTN with both the largest scale and widest coverage, and continuously developed the “1-5-20ms” three-tier low latency ranges. We have also fully achieved a smart backbone network based on IPv6. *Applications of the integration platform achieved remarkable results.* Leveraging the “AaaS+” Action Plan with the launch of both “capabilities superstore” and the centralized sharing model to accelerate the supply of intelligent capabilities, we had included nearly 1,100 integration platform capabilities, which were deployed a total of 319.7 billion times for the first half of 2024. We upgraded and improved the Data Switching Service Network (DSSN) as the infrastructure for the circulation of data elements, and this was implemented in six provinces and across eight industries, and DSSN recorded an average of over 100 million monthly data transactions.

¹⁰ It refers to: N (national, regional intelligent computing centers) + X (localized and customized edge intelligent computing nodes).

Continued to optimize our smart info-service spectrum. *In terms of product offerings*, we have intensified our focus on bringing outstanding products to market and this has yielded favorable results. In the mass market, 17 of our products each had a user base in excess of 100 million. Of them, the number of users of eight products exceeded 200 million. In the “Business” market, the revenue from 6 products exceeded RMB10 billion each. In the computility network market, we have developed more than 70 intelligent computility projects with an accumulative contract value surpassing RMB2 billion. While service touchpoint capability of China Mobile Cloud across all platforms occupied a leading position in the industry, the core functional performance of our key products, including COCA¹¹ 2.0 heterogeneous computing architecture and our in-house developed DPU chips, was also at the forefront in the domestic market. In the big data market, we leveraged *Wutong* Big Data platform to accumulate more than 2,000PB of data resources, and elevated our data governance ability to China’s highest rating of DCMM Level 5, achieving a total of 100 billion times of data deployment throughout the year with extensive applications in various fields including data governance, emergency management, and smart cultural tourism. In the Visual Internet market¹², we were the first operator to release technical standards, service standards and white papers for Visual Internet. We have released the Visual Internet large model. For the first half of 2024, our Visual Internet products have accumulated 70.30 million video-cloud connections, following a net addition of 10.19 million video connections. In the security business market, we built out the product system of “network, cloud, DICT+security”, generating accumulative revenue of RMB2.1 billion for the first half of 2024. *In terms of services*, we continued to optimize service management covering every aspect and process of service and involving every member of staff, and maintained industry-leading customer satisfaction. We maintained an edge in terms of customer satisfaction with our mobile network quality, while that with household broadband network quality increased substantially for two consecutive years. As the initial developer and adopter of large models for customer service, we deepened the applications of video customer service based on communications networks and the Internet, with an average monthly service volume exceeding 148 million. *In terms of brand management*, with a focus on our goal of a world-class outstanding brand, we adhered to the principles of “high-quality, premium proposition, high-end image” and adopted the “brand-first approach” to promote the construction and operation of “1+4+4” strategic brand system¹³. China Mobile occupied a prominent position in the Brand Finance Most Valuable Chinese Brands 2024 list. We continued to enhance our brand value and occupied a leading position among global telecommunications operators.

¹¹ COCA stands for Compute on Chip Architecture.

¹² China Mobile Visual Internet is a smart digitalization infrastructure specializing in video connection services. Using video IoT terminals as the medium, it converges connection, capabilities and services on a video-connected platform.

¹³ “1+4+4” strategic brand system refers to: “China Mobile” as the corporate brand; GoTone, M-zone, Easy Own and China Mobile *Aijia* (AI Home) as four customer brands; and MIGU Video, China Mobile Cloud, *Wutong* Big Data and *Jiutian* as four product brands.

Proprietary Innovation Drove Achievement of BASIC6 Initiatives

Assuming a principle role in fostering innovation, we upgraded the “Unified Five Rings”¹⁴ technology and innovation framework, striving to promote the BASIC6 Initiatives. We bolstered our efforts in nurturing emerging and future strategic industries to drive innovation continuously.

Systematic planning of 5G-A/6G research and development. We played an active role in the freezing of the 5G R18 standards and maintained our leading status among global operators in the number of related technical proposals and projects we led. We first proposed the 5G-A integrated sensing and communications technology system, and built the 5G-A integrated sensing and communications pilot platform. We developed the industry-leading “China Mobile Link-Cloud” UAV intelligent management and control platform. We also developed a new product “e-Lark” based on the networked passive IoT technology solutions we had proposed. We successfully sent two air-ground experimental satellites – China Mobile 01 satellite and *Xinghe* verification satellite¹⁵ – into Low Earth orbit, establishing an air-ground experimental foundation, and completing the world’s first IoT-NTN laboratory proof of real-time voice by direct connection between mobile phone and High Earth orbit satellite. We have also released the experimental foundation 1.0 for the R&D of 6G communicating, sensing, computing and intelligent integration. The number of 6G patents, papers and other innovative achievements placed us among the top-tier global operators in this field.

Ongoing leadership in computility network development. The “Computility Network Key Technology” Working Group was established in the internationally-acclaimed Internet Engineering Task Force (IETF), helping our proprietary integrated CN technology to be globally recognized. We achieved breakthroughs in proprietary technologies such as Computility Routing, Computility Native, and fully-deployed Ethernet, with major innovations in areas such as our in-house developed server DPU intelligent computility acceleration engine and intelligent computility cross-architecture migration software. We led and proposed a wide-area high-throughput protocol to achieve high throughput data transmission of over 5,000 kilometers, constructed the world’s first 800G+ hollow-core optical fiber test network capable of 20-kilometer two-way 128TB/s ultra-large data transmission with optical link latency reduced by over 30%. We also released the world’s first computility router. Our Brain of Computility Network integrates general computing, intelligent computing, super computing and quantum computing, namely the Yangtze River Delta Hub Wuhu Cluster Computility Public Service Platform was launched as a national-level hub node for the first time.

¹⁴ The “Unified Five Rings” refers to our technology and innovation system that consists of five rings: the inner ring (major research institutes), the mid-ring (specialized companies facilitating industry research collaboration), the outer ring (provincial companies and regional innovation institutes), the partnership ring (tertiary institutes and enterprise partners), and the overseas ring (overseas R&D institutes and international organizations).

¹⁵ China Mobile 01 satellite carries a base station that supports 5G air-ground communications technology. It is the world’s first integrated terrestrial and celestial signal processing system capable of verifying 5G air-ground evolutionary technology. Designed with 6G concepts, *Xinghe* verification satellite deploys the industry-first satellite core network capable of in-orbit operation, making it the world’s first verification satellite to validate 6G architecture.

Breakthroughs in artificial intelligence innovation at an accelerated pace. We released the *Jiutian* artificial intelligence foundation comprising 10,000-card intelligent computing clusters, 100 billion-parameter multi-modal large models, and an eco-platform that brings together hundreds of major elements, constantly improving our large model spectrum. We invested every effort to build a “1+N” system of general and industry-specific 100 billion-parameter large models. Through the “in-house development + ecosystem cooperation” approach, we have deployed high-performance industry-specific large models in 40 sub-sectors including network, customer service, healthcare, public administration, industry, transportation and finance. In the first half of 2024, we have released 17 self-developed *Jiutian* industry-specific large models, accumulating 450 AI capabilities and empowering nearly 1,000 industry applications. Among all AI large models developed by Chinese State-Owned Enterprises, the *Jiutian* foundation large model has become the first to have obtained “double filings” from the Chinese government for the provision of generative AI services and domestic deep synthesis service algorithms. It has also received the highest-level A-grade security certification from the China Software Testing Center.

Value conversion of big data actively promoted. We progressed the setting of data standards, and actively participated in the compilation of national standards for the classification and grading of high-quality data sets, and for the format of AI data sets. We created a uniform “data catalog” for data standardization, sharing and reuse. We launched our *Wutong* Big Data platform, the world’s largest communications service data cluster, building a high-quality data set with over five trillion tokens by our autonomous data cleaning and precise data labeling. We actively advanced innovations in data technology and connected with partners throughout the industry chain to intensify efforts in key technologies such as data lake-warehouse integration, data fabric, and distributed computing to improve the processing efficiency of massive, multi-source, and heterogeneous data.

Improved empowerment from the integration platform. We worked with members of the AaaS+ technology alliance to formulate industry standards such as modular platforms in order to promote the interoperability of the integration platform among different ecosystems. We achieved breakthroughs in key technologies for the integration platform, explored AI-based intelligent assembly and automated orchestration technologies, delved into metaverse-based capability operation and interaction technologies, and drove the rapid conversion of technological innovations into products and markets. We promoted the integrated innovation of “capabilities + integration”, accelerated the standardized governance of capabilities, and rapidly upgraded the open sharing of the integration platform capabilities to be flexible, convenient, efficient, and secure.

Strengthened network and information security. We launched the first full-scenario fraud prevention service in the information and communications industry. Currently under trial in various locations, the service builds four layers of defense including intelligent fraud detection, intelligent early warning, smart home connect and insurance compensation. We released China Mobile’s AI security white paper to build a new generation of security foundation for AI infrastructure. We launched a quantum encrypted handset to further help protect customer information security.

The Company achieved remarkable results in technological innovation. We led the “5th-Generation Mobile Communications System (5G) Key Technologies and Engineering Applications” and the project won the first-class award of the State Scientific and Technological Progress Award. China Mobile was also named as the top-ranked enterprise on the inaugural list of 2023 outstanding enterprises leading in science and technology innovation, released by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council.

Seized Opportunities to Implement “AI+” Initiatives and Achieved Encouraging Initial Results

We fully embraced the era of AI by speeding up the transition from “+AI” to “AI+” in order to fuel high-quality development.

Ongoing enhancements to “AI+” capability. We forged a team of top AI talent, established the *Jiutian* AI Research Institute with a 2,000-strong core team and are building a new AI infrastructure. The hyper-scale Hohhot Intelligent Computing Center has commenced operations. Meanwhile, the hyper-scale Harbin Intelligent Computing Center has commenced construction. We strengthened our high-quality AI core competencies, launching full-stack proprietary and controllable 100 billion-parameter multi-modal large models, alongside starting the trials of the 200 billion-parameter multi-modal large model and conducting initial research into trillion-parameter large model technology. We created an AI industry ecosystem, actively expanding our *Jiutian* ecosystem platform to include more industry players and opening large model training bases, evaluation bases, and industrial innovation bases to provide one-stop industry integration services such as model training and inference, and AI+ native application incubation to society.

Steady progress in “AI+” application innovation. In the business market, we strove to build an “AI+DICT” product system and launched COMPASS¹⁶ capabilities, becoming the first in the industry to provide integrated services covering network, computility, models, tools, and applications. We launched 20 industry applications such as AI invigilation, AI quality inspection, AI audit, AI first aid, AI agricultural technology question and answer, and AI training and inference integrated machines, and developed intelligent products such as AI office assistant, AI video surveillance and AI digital twin. We accelerated the monetization of our AI capabilities and achieved breakthrough by winning the bid for an AI project of a large state-owned enterprise. For the mass market, we built an AI product portfolio, carrying out fully developed AI+ upgrades for strategic products such as Video Ring Back Tone (RBT), 5G New Calling, China Mobile Cloud Drive, mobile HD, and cloud computers by building in new AI functions and enhancing their innovative digital-intelligent features. We nurtured diverse smart applications with a clear focus on the eight AI+ areas: new communications, new office, new content, smart home, Visual Internet, Internet of Things, security, and hardware. We have also accelerated the research and development of new AI products such as home robots. In the first half of the year, the total number of customers for AI-powered products reached 110 million. At the same time, we promoted the smart upgrading of operations and management internally, and achieved visible results through bettering management and empowerment and enhancing cost-effectiveness. Network-related cost per RMB100 of fixed assets decreased by 3.5% year-on-year, and energy consumption of a single 5G station decreased by 11.7% year-on-year. We deployed 55,000 digital employees, accumulatively reducing workload by 1.54 million man-days.

Going forward, we will further refine our AI development approach and expand the scale of AI+ initiatives. We will enhance our service capabilities of general computility, big data, and large models to consolidate the foundation for “AI+” development. At the same time, we will enrich the “AI+” service model to promote the innovative adoption of AI in a broader range and at a deeper level, helping all sectors to become smarter, more digitalized and connected.

¹⁶ COMPASS stands for Computility (CO), Large Models (M), Products (P), Applications (A), Solutions (S), Services (S).

Stimulated Development Momentum to Promote Collaboration and Collective Success

We continued to deepen reforms and improve management quality, at the same time as expanding our circles of “relatives”, “friends” and ecosystem. By doing so, our organic growth vitality increased significantly alongside a thriving ecosystem.

Comprehensively extended enterprise reforms. We advanced enterprise reforms in greater depth and breadth. We promoted the establishment of boards of directors in our subsidiaries as far as practicable, resulting in a more robust system and mechanism. We enhanced our diverse and structured talent pool while achieving breakthroughs in building a strategic leadership pipeline by building a stronger high-level expert force and attracting outstanding, specialized and coveted talent to join us. We sped up our pace to upgrade our workforce, driving staff transformations from traditional to digital-intelligent, from single-skilled to multi-skilled, and from back-end to front-end. We also formulated incentive policies taking into consideration strategies of optimization and allocation of resources, business transformation and technological innovation in order to ensure better and more comprehensive incentive mechanisms in the mid- to long-term. By adopting scientific approaches, we continuously strengthened our management system by ensuring the headquarters, regional companies and specialized teams performed their respective roles in overall strategy-setting and management, driving market development, and enhancing competency. We strengthened the headquarters’ “strategy + operation” role in management and control, particularly in technological innovation and internal coordination. We further implemented all-factor budget control and strengthened full-process and closed-loop management of assets, resulting in consistent improvements in quality management. Frontline reforms have generated notable results. Results of the national technology company development program and the Double-hundred Action have been highly recognized by SASAC of the State Council, and three of our subsidiaries were named as “Benchmark” enterprises and five as “Outstanding” enterprises. We have built a three-tiered management system comprising technological research special zones, key research teams and a research pipeline. Leveraging *Jiutian* as a benchmark, we have developed 15 technological research special zones, and supported our subsidiary XinSheng Tech to complete A+ strategic investment round. China Mobile’s reforms has been highly recognized and received grade A result for three consecutive years from the evaluation of SASAC of the State Council.

Comprehensively extended open collaboration. With the aim of fostering more extensive strategic collaboration, we strengthened strategic partnerships with governments at all levels, enterprises and tertiary institutes, driving cross-disciplinary collaboration in information services to support further innovations in the digital economy. Through capital investment plan and promoting sector-investment synergy, we mapped our investment in strategic emerging sectors and future industries such as AI, air-ground integrated network, basic software and advanced manufacturing. We strengthened innovation cooperation by enhancing joint innovation and forming innovation alliances in 5G and computility network to establish high-quality and synergistic innovation platforms. We also stepped up new joint R&D by further implementing the Joint Innovation Plus scheme and partnering with leading enterprises, and tertiary and sci-tech research institutes to advance the integrated innovation of industry, academia, research and application. We have accumulatively built 34 joint R&D initiatives and formed the first international joint R&D project. We have also promoted innovation regionally and in overseas by setting up an innovation research institute in Hong Kong and a platform for the coordination, research and management of export capabilities. Drawing on our leadership in the industry chain, we continued to foster ecosystem collaboration. We have attracted more than 1,300 companies to become links in the chain. Leveraging our subsidiary chains, we deepened partnerships with enterprises of different sizes across vertical industry sectors and persistently enhanced our leadership and the industry’s resilience, which resulted in the formation of high-quality industry clusters. We also continued to strengthen the Global TD-LTE Initiative (GTI) international cooperation platform, gathering more than 400 global operators and industry partners.

Steadfast Enhancements to ESG Management Quality

To ensure high-quality corporate governance, we adhered to principles of integrity, transparency, openness and efficiency and fully complied with all applicable listing rules and regulations governing listed companies. We actively responded to global sustainable development initiatives and strengthened ESG strategy implementation and performance supervision. We continued to improve our corporate governance and decision-making mechanisms and optimize the top-down design and operating mechanism of compliance management. This helped the Company modernize its governance system and governance capabilities to support the Company’s continuing reform and development. We enhanced our internal control and supervision across-the-board with a particular focus on key business areas to strengthen risk prevention and mitigation. By improving risk detection capabilities and strengthening risk prevention and control, we safeguarded the healthy and sustainable development of the company.

We fully utilize our corporate expertise, empowering industries with digital intelligence to drive comprehensive economic and social development. We serve individuals and families, enabling them to create a better digital life. We expand our global vision, deepening and promoting win-win international cooperation. We continued to make extensive contributions in areas including supporting regional coordinated development, advancing digital-intelligent village revitalization, practicing green and low-carbon operations, carrying out public welfare and charity, and assisting in emergency rescue and disaster relief. Our overall performance has been rated as the highest “Five-star Excellence” in the “2024 China ESG Listed Companies Pioneer 100” list. We focused on cultivating all-round talent and value talent as the most important asset for driving innovation and development. We provide effective training and an enabling workplace for outstanding talent, and strive to promote collaborative growth between our employees and our organization.

Future Outlook

The evolving external environment has introduced growing adverse impacts, while effective demand has persistently remained inadequate. Our business transformation is clouded by the transitional phase between old and new growth drivers, introducing an element of uncertainty. Meanwhile, the macroeconomic outlook continues to improve. The development of new quality productive forces not only propels the pervasive integration of next-generation information technology across the entirety of economic and social domains, but also ushers in a new digital-intelligent era characterized by the deep integration of information and energy at an accelerating pace. Data, computility and AI have become the new engine for technological innovations. Information technology and its deep integration with the real and financial economies have given rise to emerging industries. “Internet+”, “5G+” and “AI+” have identified a new pathway for information technology to be integrated into all aspects of the economy, society and everyday life, which will profoundly revolutionize the way people work and live, as well as upending the model of social governance, presenting unprecedented opportunities for the information and communications sector. Especially in recent times, we have seen accelerated breakthroughs in the application of new generation information technologies represented by AI, computility networks, big data and blockchain. Promoting economic and social transformation from “+AI” towards “AI+”, this phenomenon has empowered individuals, families, communities and professionals, facilitated the integrated innovation of emerging technologies, further deepened the integration of multi-domain intelligence applications, and opened up a vast blue-ocean of opportunities.

Faced with the new business landscape and opportunities, we will fully, accurately and comprehensively align with the new development paradigm. We will pursue stable progress while forging ahead with a steadfast focus on integrity and innovation. We will enhance core functions, strengthen core competencies and fully implement the “1-2-2-5” strategy, further deepening reforms to bolster our organic growth momentum, innovative vitality and development potential. We will also strive to promote the “Two New Elements” with smart digitalization infrastructure and smart info-service spectrum, while making all-out efforts on “AI+” and “BASIC6” initiatives. By doing so, we will develop new quality productive forces at an accelerated pace, promote digital-intelligent transformation and high-quality growth. As we establish ourselves as a world-class information services and sci-tech innovation enterprise, we will consistently create greater value for our shareholders and customers.

Acknowledgement

On behalf of the Board, I would like to sincerely express my heartfelt gratitude for the support of our shareholders, customers and the public, and for the dedication and contribution of our employees.

Yang Jie
Chairman

Hong Kong, 8 August 2024

GROUP RESULTS

China Mobile Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2024

(Expressed in Renminbi (“**RMB**”))

		Six months ended 30 June	
	Note	2024	2023
		Million	Million
Operating revenue	5		
Revenue from telecommunications services		463,589	452,238
Revenue from sales of products and others		83,155	78,481
		<u>546,744</u>	<u>530,719</u>
Operating expenses			
Network operation and support expenses	6	142,682	143,526
Depreciation and amortisation		96,536	103,170
Employee benefit and related expenses		75,052	70,433
Selling expenses		29,222	26,835
Cost of products sold		81,520	77,332
Other operating expenses	7	35,998	29,136
		<u>461,010</u>	<u>450,432</u>
Profit from operations		85,734	80,287
Other gains		1,814	4,003
Interest and other income	8	11,123	11,373
Finance costs		(1,672)	(1,938)
Income from investments accounted for using the equity method		6,150	4,953
Profit before taxation		103,149	98,678
Taxation	9	(22,892)	(22,439)
PROFIT FOR THE PERIOD		<u>80,257</u>	<u>76,239</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

for the six months ended 30 June 2024

(Expressed in RMB)

		Six months ended 30 June	
	Note	2024	2023
		Million	Million
Other comprehensive income for the period, net of tax:			
Items that will not be subsequently reclassified to profit or loss			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		(6)	(7)
Share of other comprehensive income/(loss) of investments accounted for using the equity method		3	(93)
Items that may be subsequently reclassified to profit or loss			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		136	–
Currency translation differences		677	1,219
Share of other comprehensive income of investments accounted for using the equity method		735	534
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		81,802	77,892
Profit attributable to:			
Equity shareholders of the Company		80,201	76,173
Non-controlling interests		56	66
PROFIT FOR THE PERIOD		80,257	76,239
Total comprehensive income attributable to:			
Equity shareholders of the Company		81,735	77,826
Non-controlling interests		67	66
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		81,802	77,892
Earnings per share – Basic	10(a)	RMB3.75	RMB3.56
Earnings per share – Diluted	10(b)	RMB3.73	RMB3.56

Details of dividends to the equity shareholders of the Company are set out in note 11.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 June 2024

(Expressed in RMB)

	Note	As at 30 June 2024 Million	As at 31 December 2023 Million
Assets			
Non-current assets			
Property, plant and equipment	12	680,172	714,663
Construction in progress		94,862	74,496
Right-of-use assets		86,890	94,753
Land use rights		14,650	14,877
Goodwill		35,301	35,301
Development expenditure		2,319	2,279
Other intangible assets		31,972	32,720
Investments accounted for using the equity method		185,013	181,715
Deferred tax assets		47,891	47,337
Financial assets measured at fair value through other comprehensive income		6,083	3,518
Financial assets measured at fair value through profit or loss		176,712	185,621
Other financial assets measured at amortised cost		5,625	5,628
Bank deposits		75,495	55,387
Other non-current assets		44,439	46,258
		<u>1,487,424</u>	<u>1,494,553</u>
Current assets			
Inventories		12,616	12,026
Contract assets		20,726	19,407
Accounts receivable	13	84,342	54,881
Other receivables		15,901	12,342
Bills receivable		696	1,205
Prepayments		8,096	7,516
Prepaid income tax		507	809
Other non-financial assets		22,728	23,108
Financial assets measured at fair value through profit or loss		176,336	156,018
Other financial assets measured at amortised cost		19,344	32,020
Bank deposits		40,818	37,213
Cash and cash equivalents		132,073	141,559
		<u>534,183</u>	<u>498,104</u>
Total assets		<u><u>2,021,607</u></u>	<u><u>1,992,657</u></u>

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

as at 30 June 2024
(Expressed in RMB)

	Note	As at 30 June 2024 Million	As at 31 December 2023 Million
Equity and liabilities			
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	14	309,053	297,456
Bills payable		14,669	26,520
Contract liabilities		45,408	66,193
Receipts in advance		74,746	79,035
Other payables		61,949	38,201
Income tax payable		14,982	15,985
Lease liabilities		33,448	35,175
		<u>554,255</u>	<u>558,565</u>
Non-current liabilities			
Lease liabilities		62,222	67,759
Deferred revenue		9,245	9,281
Defined benefit plan and other employee benefit liabilities		6,417	6,408
Deferred tax liabilities		3,742	3,077
Other non-current liabilities		1,857	1,582
		<u>83,483</u>	<u>88,107</u>
Total liabilities		<u>637,738</u>	<u>646,672</u>
Equity			
Share capital		457,903	455,001
Reserves		921,641	886,731
Total equity attributable to equity shareholders of the Company		<u>1,379,544</u>	<u>1,341,732</u>
Non-controlling interests		<u>4,325</u>	<u>4,253</u>
Total equity		<u>1,383,869</u>	<u>1,345,985</u>
Total equity and liabilities		<u>2,021,607</u>	<u>1,992,657</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2024

(Expressed in RMB)

	Six months ended 30 June	
	2024	2023
	Million	Million
Net cash generated from operating activities	131,377	160,525
Net cash used in investing activities	(85,482)	(59,255)
Net cash used in financing activities	(55,514)	(63,766)
Net (decrease)/increase in cash and cash equivalents	(9,619)	37,504
Cash and cash equivalents, beginning of period	141,559	167,106
Effect of changes in foreign exchange rate	133	318
Cash and cash equivalents, end of period	132,073	204,928

NOTES:

(Expressed in RMB unless otherwise indicated)

1 General Information

China Mobile Limited (the “**Company**”) was incorporated in the Hong Kong Special Administrative Region (“**Hong Kong**”) of the People’s Republic of China (the “**PRC**”) on 3 September 1997. The principal activities of the Company and its subsidiaries (together referred to as the “**Group**”) are the provision of telecommunications and information related services in the mainland of China and in Hong Kong (for the purpose of preparing the unaudited condensed consolidated interim financial information, the mainland of China refers to the PRC excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan). The Company’s immediate holding company is China Mobile Hong Kong (BVI) Limited (incorporated in the British Virgin Islands), and the Company’s ultimate holding company is China Mobile Communications Group Co., Ltd. (“**CMCC**”, incorporated in the mainland of China). The address of the Company’s registered office is 60th Floor, The Centre, 99 Queen’s Road Central, Hong Kong.

The ordinary shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “**HKEX**”) since 23 October 1997.

On 5 January 2022, the Company completed the initial public offering of ordinary shares subscribed for and traded in RMB (the “**RMB Shares**”), which were listed on the Shanghai Stock Exchange (the “**SHEX**”).

2 Basis of Preparation

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim financial reporting”, issued by the International Accounting Standards Board (“IASB”), and Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting”, issued by HKICPA, which are consistent, and the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on HKEX.

The preparation of the unaudited condensed consolidated interim financial information in conformity with IAS/HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2023. The Group’s policies on financial risk management were set out in the financial statements included in the Company’s 2023 Annual Report and there have been no significant changes in these policies for the six months ended 30 June 2024.

No events and transactions that are significant to the changes in financial position and performance of the Group since the release of the annual financial statements for the year ended 31 December 2023 should be included in the Group’s unaudited condensed consolidated interim financial information. The unaudited condensed consolidated interim financial information does not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards (“IFRSs”) or Hong Kong Financial Reporting Standards (“HKFRSs”).

The Group’s condensed consolidated interim financial information is unaudited, but has been reviewed by the Company’s Audit Committee. The condensed consolidated interim financial information has also been reviewed by the Company’s independent auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s unmodified independent review report to the board of directors is included in the 2024 interim report.

The financial information relating to the year ended 31 December 2023, that is included in the unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 as comparative information, does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

3 Material Accounting Policies

Except as described below, the accounting policies applied in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023.

The following new or amended IFRSs/HKFRSs are mandatory for the first time for the Group's financial year beginning on 1 January 2024 and are applicable for the Group:

- Amendments to IAS/HKAS 1, Presentation of financial statements: Classification of liabilities as current or non-current (2020 amendments)
- Amendments to IAS/HKAS 1, Presentation of financial statements: Non-current liabilities with covenants (2022 amendments)
- Amendments to IFRS/HKFRS 16, Leases: Lease liability in a sale and leaseback
- Amendments to IAS/HKAS 7, Statement of cash flows and IFRS/HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

The adoption of the above new or amended IFRSs/HKFRSs did not have any significant impact on the Group's unaudited condensed consolidated interim financial information.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The management is assessing the impact of such standards and will adopt the relevant standards in the subsequent periods as required.

4 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal financial reports that are provided to and regularly reviewed by the Group's Chief Operating Decision Maker (the "CODM") in order to allocate resource and assess performance of the segment. The CODM has been identified as the Executive Directors of the Company. For the periods presented, the Group as a whole is an operating segment since the Group is only engaged in telecommunications and information related services. No geographical information has been disclosed as the majority of the Group's operating activities are carried out in the mainland of China. The Group's assets located and operating revenue derived from activities outside of the mainland of China are less than 5% of the Group's assets and operating revenue, respectively.

5 Operating Revenue

	Six months ended 30 June	
	2024	2023
	Million	Million
Revenue from telecommunications services		
Voice services	36,275	37,919
SMS & MMS services	16,225	16,152
Wireless data traffic services	205,064	211,780
Wireline broadband services	62,971	58,065
Applications and information services	129,005	116,358
Others	14,049	11,964
	<u>463,589</u>	<u>452,238</u>
Revenue from sales of products and others	<u>83,155</u>	<u>78,481</u>
	<u><u>546,744</u></u>	<u><u>530,719</u></u>

The majority of the Group's operating revenue is from contracts with customers, and the remaining is not material.

6 Network Operation and Support Expenses

	Note	Six months ended 30 June	
		2024 Million	2023 Million
Maintenance, operation support and related expenses		96,382	94,502
Power and utilities expenses		21,234	21,191
Charges for use of tower assets	(i)	11,991	12,821
Charges for use of lines and network assets and other assets	(ii)	9,579	10,269
Others		3,496	4,743
		<u>142,682</u>	<u>143,526</u>

Note:

- (i) Charges for use of tower assets include the non-lease components charges (maintenance, certain ancillary facilities usage and related support services) for use of telecommunications towers and variable lease payments not based on an index or a rate, which are recorded in profit or loss as incurred.
- (ii) Charges for use of lines and network assets and other assets mainly include the non-lease components charges and the lease components charges for lease contracts that are exempted from recognition of right-of-use assets and lease liabilities, such as short-term lease payments, lease payments of low-value assets and variable lease payments not based on an index or a rate, which are recorded in profit or loss as incurred.

7 Other Operating Expenses

	Six months ended 30 June	
	2024	2023
	Million	Million
Interconnection	14,214	11,340
Expected credit impairment losses	12,027	7,501
Net loss on disposal and write-off of property, plant and equipment and other intangible assets	12	169
Co-research and development expenses	2,005	2,234
Taxes and surcharges	1,778	1,474
Others	5,962	6,418
	<u>35,998</u>	<u>29,136</u>

8 Interest and Other Income

	Six months ended 30 June	
	2024	2023
	Million	Million
Interest income	2,980	3,836
Net gains on hold/disposal of financial assets	8,143	7,537
	<u>11,123</u>	<u>11,373</u>

9 Taxation

		Six months ended 30 June	
	Note	2024	2023
		Million	Million
Current tax			
Provision for enterprise income tax in the mainland of China and other countries and regions on the estimated assessable profits for the period	(i)	22,506	23,588
Provision for Hong Kong profits tax on the estimated assessable profits for the period	(ii)	347	335
		22,853	23,923
Deferred tax			
Origination and reversal of temporary differences, net		39	(1,484)
		22,892	22,439

Note:

- (i) The provision for enterprise income tax in the mainland of China and other countries and regions has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the regions in which the Group operates. The Company's subsidiaries operate mainly in the mainland of China. The provision for the PRC enterprise income tax is based on the statutory tax rate of 25% (for the six months ended 30 June 2023: 25%) on the estimated assessable profits determined in accordance with the relevant income tax rules and regulations of the PRC for the six months ended 30 June 2024. Certain subsidiaries of the Company entitle to the preferential tax rate of 15% (for the six months ended 30 June 2023: 15%), and certain research and development costs of the Company's PRC subsidiaries are qualified for 100% (for the six months ended 30 June 2023: 100%) additional deduction for tax purpose.
- (ii) The provision for Hong Kong profits tax is calculated at 16.5% (for the six months ended 30 June 2023: 16.5%) of the estimated assessable profits for the six months ended 30 June 2024.
- (iii) Pursuant to the "Notice regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management" issued by SAT in 2009 ("2009 Notice"), the Company is qualified as a PRC offshore-registered resident enterprise. Accordingly, the dividend income of the Company from its subsidiaries in the PRC is exempted from PRC enterprise income tax.

10 Earnings Per Share

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2024 is based on the profit attributable to equity shareholders of the Company of RMB80,201 million (for the six months ended 30 June 2023: RMB76,173 million) and the weighted average number of 21,407,141,693 shares in issue during the period (for the six months ended 30 June 2023: 21,368,063,583 shares).

(b) Diluted earnings per share

For the six months ended 30 June 2024 and 2023, the Group has considered the impact from the following factors when calculating diluted earnings per share:

- (i) Convertible bonds issued by an associate of the Group (“CB”) that were outstanding during the periods;
- (ii) Share options issued by the Company that were outstanding during the periods;

Both two factors had dilutive effects for the six months ended 30 June 2024 and 2023. In particular, (i) the assumed conversion of the CB would have decreased the profit attributable to equity shareholders of the Company, and (ii) to the extent that the performance conditions would have been satisfied if the end of the period were the end of the performance period, the exercise price of the relevant share options were below the average market price of the Company’s ordinary shares on the HKEX during the periods those share options were outstanding.

For the six months ended 30 June 2024, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB80,169 million (for the six months ended 30 June 2023: RMB76,070 million) and the weighted average number of 21,510,078,365 shares (for the six months ended 30 June 2023: 21,397,822,194 shares), after adjusting for the effect of all dilutive potential ordinary shares during the period.

- (i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	Six months ended 30 June	
	2024	2023
	Million	Million
Profit attributable to equity shareholders of the Company used in calculating basic earnings per share	80,201	76,173
Add: changes in share of profit of the associate	146	113
Less: fair value gain and interest income relating to the CB held by the Group, net of tax	(178)	(216)
	<u>80,169</u>	<u>76,070</u>

- (ii) Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2024	2023
Weighted average number of ordinary shares in issue during the period	21,407,141,693	21,368,063,583
Effect of deemed issue of shares under share option scheme	102,936,672	29,758,611
	<u>21,510,078,365</u>	<u>21,397,822,194</u>

11 Dividends

(a) Dividends attributable to the period

	Six months ended 30 June	
	2024	2023
	Million	Million
Ordinary interim dividend declared after the balance sheet date of HK\$2.600 (equivalent to approximately RMB2.373) (2023: HK\$2.430 (equivalent to approximately RMB2.240)) per share	<u>50,882</u>	<u>47,887</u>

The proposed/approved ordinary interim dividend/ordinary final dividend per share, which is declared in Hong Kong dollar, is translated into RMB for disclosure with reference to the exchange rate announced by the State Administration of Foreign Exchange in the PRC on 28 June 2024 and 29 December 2023 (2023: 30 June 2023 and 30 December 2022), respectively.

As the proposed ordinary interim dividend in Hong Kong dollar was declared after the balance sheet date, such dividend is not recognised as liability as at 30 June 2024. In case of any change in the total number of issued shares of the Company between the date of approval for these financial statements and the record date for the implementation of the 2024 interim dividend, the Company intends to keep the amount of dividend per share unchanged and adjust the total amount of profit distribution accordingly.

In accordance with the 2009 Notice and the PRC enterprise income tax law, the Company is required to withhold enterprise income tax equal to 10% of any dividend, when it is distributed to non-resident enterprise shareholders whose names appeared on the Company's register of members for shares listed on the HKEX, as at the record date for such dividend, and who were not individuals.

(b) Dividends attributable to the previous financial year, approved and paid during the period

	Six months ended 30 June	
	2024	2023
	Million	Million
Ordinary final dividend in respect of the previous financial year, approved and paid during the period, of HK\$2.400 (equivalent to approximately RMB2.175) (2023: HK\$2.210 (equivalent to approximately RMB1.974)) per share	<u>46,924</u>	<u>43,414</u>

12 Property, plant and equipment

On 21 March 2024, the Board of Directors of the Company approved to change the depreciable life of 5G wireless assets and related transmission equipment. At the end of 2023, the IMT-2030 (6G) Promotion Group formally proposed that the 6G standard shall be established in 2025 with commercialization expected in 2030. It was also clearly stated that 5G network investments shall be reused in 6G network infrastructure to the maximum extent, and therefore it is expected that 5G and 6G networks will co-exist after commercialization of 6G and 5G equipment will have a relatively long life cycle. After full consideration of technology, business and other factors and detailed assessment of the state of use of relevant assets, and also with reference to the practices of other telecommunications operators, the Board of Directors of the Company resolved and approved an adjustment of the depreciable life of the 5G wireless assets and related transmission equipment from 7 years to 10 years with effect from 1 January 2024, which the Company considers to be a more objective and fair reflection of the expected useful life of such type of assets and their actual state of use. The aforesaid change in accounting estimates have been made using the prospective application method. The depreciation and amortisation for the six months ended 30 June 2024 decreased by approximately RMB9,535 million as a result of the aforesaid change in accounting estimates (for the six months ended 30 June 2023: NA).

13 Accounts Receivable

Aging analysis of accounts receivable, net of loss allowance is as follows:

	As at 30 June 2024 Million	As at 31 December 2023 Million
Base on invoice date:		
Within 30 days	21,247	16,350
31–60 days	7,331	6,283
61–90 days	7,830	5,209
91 days – 1 year	38,392	20,342
Over 1 year	9,542	6,697
	<u>84,342</u>	<u>54,881</u>

The accounts receivable of the Group are primarily comprised of receivables due from customers and other telecommunications operators. Accounts receivable from customers are spread among an extensive number of customers and the majority of the receivables from individual customers are due for payment within one month from the date of billing. For corporate customers, the credit period grants by the Group is based on the service contract terms, normally not exceeding 1 year.

14 Accounts Payable and Accrued Expenses

	As at 30 June 2024 Million	As at 31 December 2023 Million
Accounts payable	166,167	173,309
Accrued expenses	142,886	124,147
	<u>309,053</u>	<u>297,456</u>

This item primarily includes payables and accrued items for purchases of network expansion, maintenance and support expenses and interconnection expenses, etc.

The aging analysis of accounts payable is as follows:

	As at 30 June 2024 Million	As at 31 December 2023 Million
Base on invoice date:		
Within 180 days	80,464	105,895
181 days – 1 year	45,567	28,732
Over 1 year	40,136	38,682
	<u>166,167</u>	<u>173,309</u>

All of the accounts payable are expected to be settled within one year or are repayable on demand.

15 Capital Commitments

The Group's capital expenditure contracted for as at the balance sheet dates but not provided for in the unaudited condensed consolidated interim financial information were as follows:

	As at 30 June 2024 Million	As at 31 December 2023 Million
Land and buildings	2,631	2,829
Telecommunications equipment and others	26,882	20,066
	<u>29,513</u>	<u>22,895</u>

16 Events After the Reporting Period

After the balance sheet date, the Board of Directors proposed an ordinary interim dividend. Further details are disclosed in note 11.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company bought back a total of 2,377,000 shares in the Company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”, and such shares, the “**Hong Kong Shares**”) on the Hong Kong Stock Exchange for an aggregate price of HK\$154,555,920.75 (excluding expenses) during the six months ended 30 June 2024 and such Hong Kong Shares bought back were cancelled, details of which are as follows:

Date of buy-back	Number of Hong Kong Shares bought back	Price paid per Hong Kong Share		Aggregate price paid (excluding expenses) HK\$
		Highest HK\$	Lowest HK\$	
15 January 2024	738,000	65.90	64.95	48,356,416.80
16 January 2024	180,000	66.45	65.50	11,942,352.00
17 January 2024	379,500	65.45	64.50	24,624,730.35
18 January 2024	353,000	65.30	64.10	22,843,724.30
19 January 2024	303,000	65.70	64.90	19,783,263.90
22 January 2024	231,500	63.90	63.05	14,707,935.80
23 January 2024	155,000	64.50	63.30	9,922,697.00
24 January 2024	37,000	64.50	63.80	2,374,800.60
	<u>2,377,000</u>			<u>154,555,920.75</u>

The Board of Directors of the Company (the “**Board**”) believes that such buy-backs of Hong Kong Shares would benefit the Company and its shareholders, and would lead to an enhancement of the net value of the Company and its assets and/or its earnings per share.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024.

AUDIT COMMITTEE

The Audit Committee reviewed with management the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 and the accounting principles and practices adopted by the Group, and discussed auditing, internal control, financial report and other matters.

COMPLIANCE WITH THE CODE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

For the six months ended 30 June 2024, the Company complied with all the code provisions under Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Hong Kong Listing Rules to regulate the directors’ securities transactions. All directors have confirmed, following specific enquiry by the Company, that they had complied with the required standard set out in the Model Code throughout the period from 1 January 2024 to 30 June 2024.

CLOSURE OF REGISTER OF MEMBERS FOR HONG KONG SHARES

The Board declared an interim dividend of HK\$2.60 per share (before withholding and payment of PRC enterprise income tax) for the six months ended 30 June 2024 (the “**2024 Interim Dividend**”) to the shareholders of the Company.

The register of members of the Company for the Hong Kong Shares will be closed from Wednesday, 4 September 2024 to Friday, 6 September 2024 (both days inclusive) for the purpose of ascertaining entitlement of holders of Hong Kong Shares to the 2024 Interim Dividend. In order to qualify for the 2024 Interim Dividend, all transfers of Hong Kong Shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 3 September 2024. The 2024 Interim Dividend will be paid on or about Tuesday, 24 September 2024 to those holders of Hong Kong Shares on the register of members on Friday, 6 September 2024 (the “**Record Date**”).

WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISES IN RESPECT OF 2024 INTERIM DIVIDEND

Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China” (the “**Enterprise Income Tax Law**”), the “Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China” and the “Notice regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management”, the Company is required to withhold and pay 10 per cent. enterprise income tax on the distribution of the 2024 Interim Dividend to non-resident enterprise holders of Hong Kong Shares. The withholding and payment obligation lies with the Company. In respect of all holders of Hong Kong Shares whose names appear on the Company’s register of members as at the Record Date who are not individuals (including HKSCC Nominees Limited (“**HKSCC**”), other corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as non-resident enterprise holders of Hong Kong Shares), the Company will distribute the 2024 Interim Dividend after deducting enterprise income tax of 10 per cent.. The Company will not withhold and pay the individual income tax in respect of the 2024 Interim Dividend payable to any natural person holders of Hong Kong Shares whose names appear on the Company’s register of members as at the Record Date.

If any resident enterprise (as defined in the Enterprise Income Tax Law) holder of Hong Kong Shares listed on the Company's register of members which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire to have the Company withhold and pay the said 10 per cent. enterprise income tax, it shall lodge with Hong Kong Registrars Limited documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the dividend to which it is entitled not later than 4:30 p.m. on Tuesday, 3 September 2024.

Investors who invest in Hong Kong Shares through the Shanghai Stock Exchange or the Shenzhen Stock Exchange (the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect investors), whether natural persons or enterprises, are investors who hold Hong Kong Shares through HKSCC, and in accordance with the above requirements, the Company will pay to HKSCC the amount of the 2024 Interim Dividend after withholding for payment the 10 per cent. enterprise income tax.

Investors should read this announcement carefully. If anyone would like to change the identity of the holders of Hong Kong Shares in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for non-resident enterprise holders of Hong Kong Shares strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company's register of members on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the holders of Hong Kong Shares or any disputes over the mechanism of withholding and payment of enterprise income tax.

PUBLICATION OF 2024 INTERIM RESULTS AND 2024 INTERIM REPORT

This announcement is published on the HKEXnews website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://www.chinamobileltd.com>. The 2024 Interim Report will be available on the aforesaid websites and be despatched to holders of Hong Kong Shares who have requested to receive printed copies.

FORWARD-LOOKING STATEMENTS

Forward-looking statements contained in this announcement do not constitute and should not be viewed as commitments made by the Company. 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 the Company to be materially different from those implied by such forward-looking statements. In addition, the Company does not intend to update such forward-looking statements. Investors are cautioned not to unduly rely on such forward-looking statements.

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Yang Jie, Mr. He Biao, Mr. Li Pizheng and Mr. Li Ronghua as executive directors; and Mr. Stephen Yiu Kin Wah, Dr. Yang Qiang, Mr. Carmelo Lee Ka Sze and Mrs. Margaret Leung Ko May Yee as independent non-executive directors.