



中国移动  
China Mobile

Annual Report 2025

# 奮力開新局 Forge New Horizons



通信  
*Communications*

算力  
*Computing*

智能  
*AI*

China Mobile Limited

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



## **Forward-Looking Statements**

Forward-looking statements contained in this annual report 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.

# CONTENTS

02	Milestones for 2025	73	Independent Auditor's Report
04	Corporate Information	79	Consolidated Statement of Comprehensive Income
05	Financial Highlights	81	Consolidated Balance Sheet
06	Corporate Profile	83	Consolidated Statement of Changes in Equity
07	Biographies of Directors and Senior Management	84	Consolidated Statement of Cash Flows
14	Chairman's Statement	87	Notes to the Consolidated Financial Statements
22	Business Review	166	Financial Summary
26	Financial Review		
31	Corporate Recognitions		
32	Sustainability Report		
35	Corporate Governance Report		
59	Human Resources Development		
60	Report of Directors		

# MILESTONES FOR 2025

**Feb 2025**

China Mobile was awarded the title of “ESG Model Demonstration Base”

**Apr 2025**

China Mobile became the first nationwide to achieve dual gigabit connectivity in all townships and full network coverage in all villages

**Jun 2025**

China Mobile’s 5G core technology patents received the China Patent Gold Award

**Jul 2025**

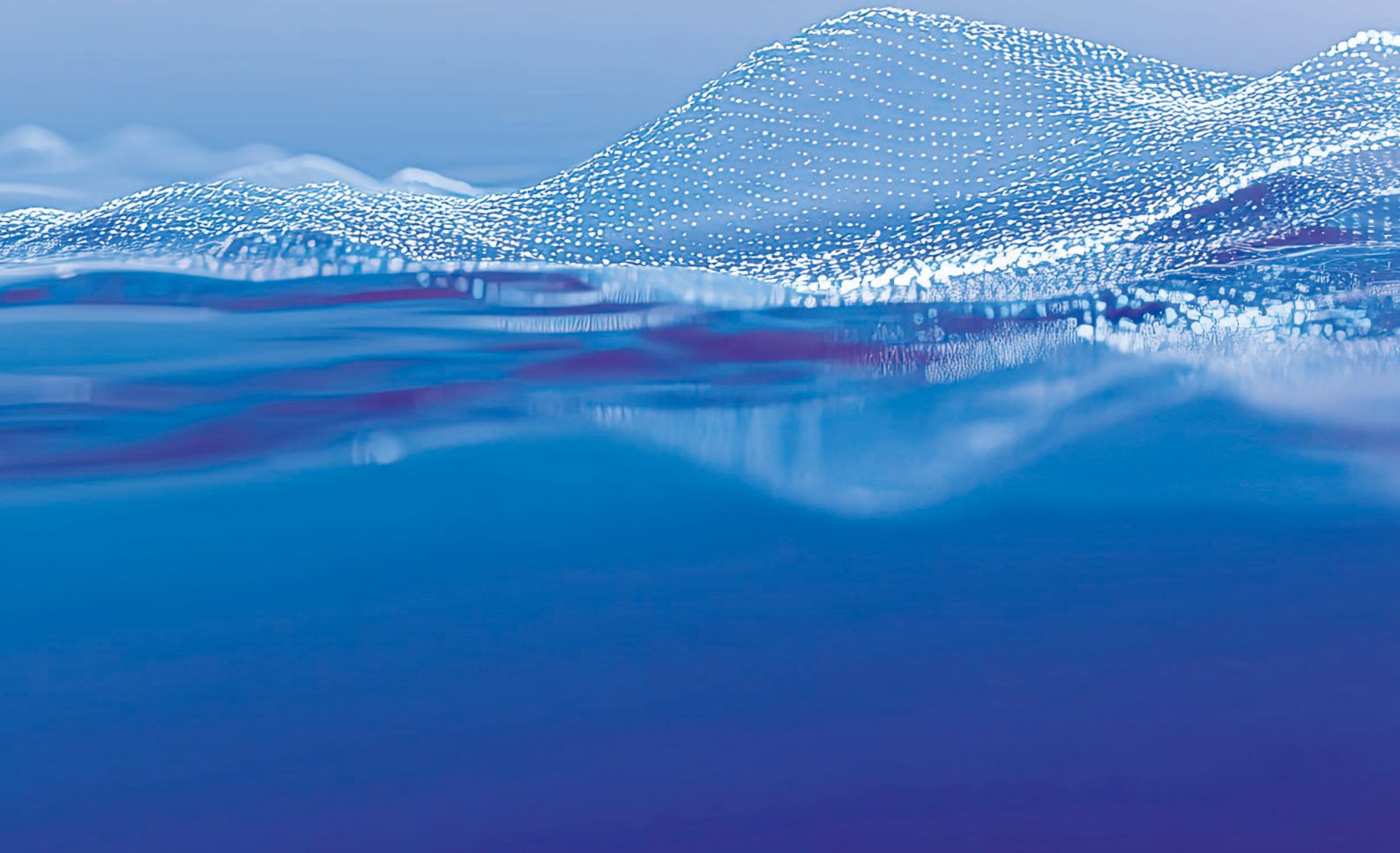
Led the development of RFC9800, the core standard of the next-generation Internet protocol (SRv6)

**Jul 2025**

China Mobile launched the MoMA (Mixture of Models and Agents) service engine

**Jul 2025**

China Mobile *Jiutian* Artificial Intelligence Technology Company officially inaugurated



*Milestones for 2025***Aug 2025**

Launched China's first commercial hollow-core anti-resonant optical fiber lines

**Sep 2025**

China Mobile was granted a license for operating satellite mobile communications business

**Oct 2025**

China Mobile successfully validated integrated quantum-communication transmission and QKD quantum secure communication technologies

**Nov 2025**

The eastern segment of 2Africa, the world's largest transoceanic submarine cable system, was put into commercial operation

**Nov 2025**

For the third consecutive year, China Mobile received the highest rating on the "China ESG Listed Companies Pioneer 100" list

**Dec 2025**

China Mobile was recognized among China's Top 10 Best Employers in 2025



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. CHEN Zhongyue  
(Executive Director & Chairman)  
Mr. WANG Limin  
(Executive Director)  
Mr. LI Ronghua  
(Executive Director &  
Chief Financial Officer)

### Independent Non-Executive Directors

Mr. YIU Kin Wah Stephen  
Dr. YANG Qiang  
Mr. LEE Ka Sze Carmelo  
Mrs. LEUNG KO May Yee Margaret

## PRINCIPAL BOARD COMMITTEES

### Audit Committee

Mr. YIU Kin Wah Stephen (Chairman)  
Dr. YANG Qiang  
Mr. LEE Ka Sze Carmelo  
Mrs. LEUNG KO May Yee Margaret

### Remuneration Committee

Mr. YIU Kin Wah Stephen (Chairman)  
Dr. YANG Qiang  
Mr. LEE Ka Sze Carmelo  
Mrs. LEUNG KO May Yee Margaret

### Nomination Committee

Dr. YANG Qiang (Chairman)  
Mr. YIU Kin Wah Stephen  
Mr. LEE Ka Sze Carmelo  
Mrs. LEUNG KO May Yee Margaret

### Sustainability Committee

Mrs. LEUNG KO May Yee Margaret  
(Chairman)  
Mr. LI Ronghua  
Mr. LEE Ka Sze Carmelo

## COMPANY SECRETARY

Ms. WONG Wai Lan Grace

## AUDITORS

KPMG  
*Public Interest Entity Auditor  
registered in accordance with  
the Accounting and Financial  
Reporting Council Ordinance*  
KPMG Huazhen LLP  
*Public Interest Entity Auditor  
recognised in accordance with  
the Accounting and Financial  
Reporting Council Ordinance*

## LEGAL ADVISER

Sullivan & Cromwell (Hong Kong)  
LLP

## REGISTERED OFFICE

60/F, The Center  
99 Queen's Road Central  
Hong Kong

## PUBLIC AND INVESTOR RELATIONS

Tel: 852 3121 8888  
Fax: 852 2511 9092  
Email: ir@chinamobilehk.com  
Stock code: (HKEX)  
HKD counter: 941  
RMB counter: 80941  
(SSE) 600941

## HK SHARE REGISTRAR

Computershare Hong Kong Investor  
Services Limited  
Shops 1712-1716,  
17/F Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## RMB SHARE REGISTRAR

China Securities Depository and  
Clearing Corporation Limited  
(CSDC)  
Head Office Address:  
No. 17 Tai Ping Qiao Street,  
Xicheng District,  
Beijing, P.R. China  
Postal Code: 100033  
www.chinaclear.cn

## PUBLICATIONS

As required by the laws and  
regulations of People's Republic  
of China and Hong Kong SAR, the  
Company shall file an annual report  
with Shanghai Stock Exchange and  
Hong Kong Stock Exchange by the  
end of April each year. Copies of  
the annual reports of the Company,  
once filed, will be available at:

### Hong Kong and the mainland of China:

China Mobile Limited  
60/F, The Center,  
99 Queen's Road Central  
Hong Kong

29 Jing Rong Avenue,  
Xi Cheng District, Beijing, China

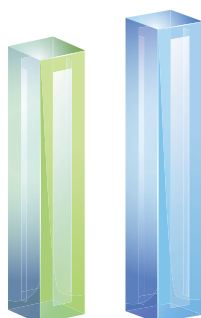
Company's website:  
www.chinamobileltd.com  
HKEX: www.hkexnews.hk  
SSE: www.sse.com.cn

# FINANCIAL HIGHLIGHTS

## Operating Revenue

(RMB million)

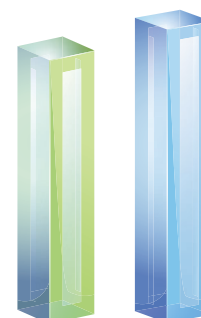
2025 / 1,050,187  
2024 / 1,040,759



## Revenue from Principal Businesses

(RMB million)

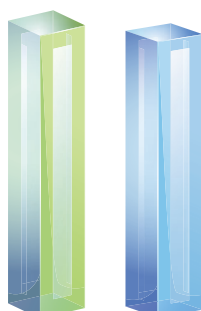
2025 / 895,530  
2024 / 889,468



## Profit Attributable to Equity Shareholders

(RMB million)

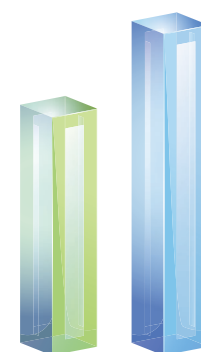
2025 / 137,095  
2024 / 138,373



## Dividend per Share (Full Year)

(HK\$)

2025 / 5.27  
2024 / 5.09



	2025	2024
Operating revenue (RMB million)	<b>1,050,187</b>	1,040,759
Of which: Revenue from principal businesses (RMB million)	<b>895,530</b>	889,468
EBITDA <sup>1</sup> (RMB million)	<b>338,931</b>	333,691
EBITDA margin <sup>2</sup>	<b>32.3%</b>	32.1%
Profit attributable to equity shareholders (RMB million)	<b>137,095</b>	138,373
Margin of profit attributable to equity shareholders <sup>3</sup>	<b>13.1%</b>	13.3%
Basic earnings per share (RMB)	<b>6.35</b>	6.45
Dividend per share – Interim (HK\$)	<b>2.75</b>	2.60
– Final (HK\$)	<b>2.52</b>	2.49
– Full year (HK\$)	<b>5.27</b>	5.09

<sup>1</sup> EBITDA = profit from operations + depreciation and amortization

<sup>2</sup> EBITDA margin = EBITDA / operating revenue

<sup>3</sup> Margin of profit attributable to equity shareholders = profit attributable to equity shareholders / operating revenue

# CORPORATE PROFILE

China Mobile Limited (the “Company”, and together with its subsidiaries, the “Group”) was incorporated in Hong Kong on 3 September 1997. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 23 October 1997 and were admitted as a constituent stock of the Hang Seng Index in Hong Kong on 27 January 1998. On 5 January 2022, the Company’s RMB ordinary shares (“RMB Shares” or “A Shares”) were listed on the Main Board of the Shanghai Stock Exchange (“SSE”). On 19 June 2023, a RMB counter was added for the trading of shares in the Company listed on the Main Board of the Hong Kong Stock Exchange (the “Hong Kong Shares”).

The Group provides communications, computing and AI services in all 31 provinces, autonomous regions and directly-administered municipalities throughout the mainland of China and in Hong Kong SAR, as well as international roaming and information services to over 200 countries and regions worldwide. Communications services include mobile communications, broadband networks, cellular IoT and satellite Internet. Computing services include data centers, mobile cloud and mobile cloud applications. AI services include data algorithms,

embodied intelligence, digital intelligence culture, digital intelligence e-commerce and industry digital intelligence services. As of 31 December 2025, the Group’s total number of employees reached 461,345, and had a total of 1,005 million mobile customers and 110 million gigabit broadband customers, with its annual revenue reaching RMB1,050.2 billion.

The Company’s ultimate controlling shareholder is China Mobile Communications Group Co., Ltd. (“CMCC”), which, as of 31 December 2025, directly and indirectly held approximately 68.80% of the total number of issued shares of the Company. The remaining approximately 31.20% was held by public investors.

In 2025, the Company was once again selected as one of The Global 2,000 World’s Largest Public Companies by Forbes magazine and Fortune magazine’s Global 500 list. The China Mobile brand was once again listed in BrandZ™ Top 100 Most Valuable Global Brands 2025 ranking 62. Currently, the Company’s corporate credit ratings are equivalent to China’s sovereign credit ratings, namely, A+/Outlook Stable from Standard & Poor’s and A1/Outlook Negative from Moody’s.

## China Mobile Principal Organizational Structure as at 31 December 2025

China Mobile Communications Group Co., Ltd.

China Mobile (Hong Kong) Group Limited

China Mobile Hong Kong (BVI) Limited

Other holders of Hong Kong Shares	←	68.79%	→	Holders of RMB Shares
		27.04%	4.17%*	

## China Mobile Limited

China Mobile International Limited

China Mobile Communication Co., Ltd.

Aspire Holdings Ltd.

Operating subsidiaries in 31 provinces, autonomous regions and directly-administered municipalities in the Chinese mainland and Hong Kong

Other specialized subsidiaries#

\* Includes 0.0018% of the shares of the Company that were directly held by CMCC

# Other specialized subsidiaries include:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• China Mobile Group Design Institute Co., Ltd.</li> <li>• China Mobile Group Device Co., Ltd.</li> <li>• China Mobile Online Services Co., Ltd.</li> <li>• China Mobile (Suzhou) Software Technology Co., Ltd.</li> <li>• China Mobile Internet Company Limited</li> <li>• China Mobile Investment Holdings Co., Ltd.</li> <li>• China Mobile Financial Technology Co., Ltd.</li> <li>• China Mobile (Shanghai) ICT Co., Ltd.</li> <li>• China Mobile Xiong’an ICT Co., Ltd.</li> <li>• China Mobile Group Finance Co., Ltd.</li> <li>• China Mobile IoT Company Limited</li> </ul> | <ul style="list-style-type: none"> <li>• China Mobile Information Technology Company Limited</li> <li>• MIGU Co., Ltd.</li> <li>• China Mobile (Hangzhou) Information Technology Company Limited</li> <li>• China Mobile TieTong Company Limited</li> <li>• China Mobile System Integration Co., Ltd.</li> <li>• China Mobile (Chengdu) ICT Co., Ltd.</li> <li>• China Mobile e-Commerce Co., Ltd.</li> <li>• China Mobile Information System Integration Co., Ltd.</li> <li>• China Mobile Park Construction and Development Co., Ltd.</li> <li>• China Mobile Hong Kong Treasury Company Limited</li> <li>• China Mobile (Hong Kong) Innovation Research Institute Co., Limited</li> </ul> |
|---|--|

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS



### Mr. CHEN Zhongyue

Age 54, Executive Director and Chairman of the Company, joined the Board of Directors of the Company in December 2025, in charge of the overall management of the Company. He is currently the Chairman of CMCC, and a Director and the Chairman of China Mobile Communication Co., Ltd. ("CMC"). Mr. Chen has a Master's degree. He formerly served as Deputy General Manager of China Telecom Zhejiang branch, Managing Director of the Public Customers Department of China Telecom, General Manager of China Telecom Shanxi branch, Vice President of China Telecommunications Corporation, Executive Director and Executive Vice President of China Telecom Corporation Limited, General Manager and Chairman of China United Network Communications Group Company Limited ("Unicom Group"), President and Chairman of China United Network Communications Limited (listed in Shanghai) and China United Network Communications Corporation Limited ("CUCL"), and President, Executive Director, Chairman and Chief Executive Officer of China Unicom (Hong Kong) Limited (listed in Hong Kong).



### Mr. WANG Limin

Age 57, Executive Director of the Company, joined the Board of Directors of the Company in January 2025, principally in charge of human resources and corporate culture matters. He is also a Director of CMCC and CMC. Mr. Wang has a master's degree. He formerly served as a Director of the Grassroots Construction Guidance Office of the General Office of the Political Department of the Supreme People's Procuratorate of the People's Republic of China (the "Supreme People's Procuratorate"), Deputy Director and Deputy Director (Second Branch) of the Anti-Corruption and Bribery Bureau of the Supreme People's Procuratorate, Deputy Director of the Third Discipline Inspection and Supervision Office of the Central Commission for Discipline Inspection, Deputy Director of the Seventh Supervision and Inspection Office of the Central Commission for Discipline Inspection and the National Supervisory Commission, Head of the Discipline Inspection Team and Head of the Discipline Inspection and Supervision Team of China Huaneng Group Co., Ltd..

## Biographies of Directors and Senior Management

### INDEPENDENT NON-EXECUTIVE DIRECTORS



#### Mr. LI Ronghua

Age 60, Executive Director and Chief Financial Officer of the Company, joined the Board of Directors of the Company in October 2020, principally in charge of finance, internal audit and securities affairs of the Company. He is also a member of our Sustainability Committee since 1 January 2024, the Chief Accountant of CMCC, and a director and Vice President of CMC. Mr. Li has a master's degree. He formerly served as a vice manager of Finance Department and manager of Finance and Assets Department of State Grid Corporation of China, Deputy General Accountant of State Grid Corporation of China, Director, General Manager and Chairman of State Grid Overseas Investment Limited (Hong Kong), and Chairman of State Grid Yingda International Holdings Group Ltd. During the period between December 2019 and March 2020, Mr. Li had served as the Head of the preparatory team, and Chairman between March through September 2020, of State Grid Yingda Co., Ltd. (listed in Shanghai).



#### Mr. YIU Kin Wah Stephen, JP

Age 65, Independent Non-Executive Director of the Company, joined the Board of Directors of the Company in March 2017, and also the Chairman of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee. Mr. Yiu is currently the Chairman of the Hong Kong Insurance Authority, a director of Hong Kong Academy of Finance, an Independent Non-Executive Director of ANTA Sports Products Limited and Amer Sports, Inc. (a company listed on New York Stock Exchange), a Council member and the Treasurer of The Hong Kong University of Science and Technology, a board member of Airport Authority Hong Kong, and a member of the International Advisory Council of the National Financial Regulatory Administration, the Public Service Commission and the Exchange Fund Advisory Committee of The Hong Kong Monetary Authority. Mr. Yiu formerly served at KPMG, where his final role was the Chairman and Chief Executive Officer of KPMG China and Hong Kong as well as a member of the Executive Committee and the Board of KPMG International and KPMG Asia Pacific. Mr. Yiu previously served as an Independent Non-Executive Director of Hong Kong Exchanges and Clearing Limited. Mr. Yiu holds a professional diploma in accountancy from The Hong Kong Polytechnic University and a master's degree in business administration from the University of Warwick in the United Kingdom. Mr. Yiu is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

## Biographies of Directors and Senior Management



### Dr. YANG Qiang

Age 64, Independent Non-Executive Director of the Company, joined the Board of Directors of the Company in May 2018, and also the Chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. Dr. Yang is currently the Director of Academy for Artificial Intelligence, the Chair Professor of Artificial Intelligence and the Chief Artificial Intelligence Officer of the Hong Kong Polytechnic University, a fellow of Hong Kong Lingnan University Institute for Advanced Study, the Chair Professor of the Hong Kong University of Science and Technology (Guangzhou), President of the Hong Kong Society of Artificial Intelligence and Robotics (HKSAIR), Vice President of the Chinese Association for Artificial Intelligence (CAAI), the Co-founder and a non-executive director of Phancy Group Co., Ltd., as well as the non-executive director of Knowledge Atlas Technology Joint Stock Company Limited. Dr. Yang had served as, among other posts, an Assistant Professor and a Tenured Associate Professor at the Department of Computer Science of the University of Waterloo in Canada, a Tenured Associate Professor, an Industrial Research Chair and a Full Professor at the School of Computing Science of Simon Fraser University in Canada, and an Associate Professor, a Full Professor, a Head of the Department of Computer Science and Engineering and Chair Professor (Emeritus) of the Hong Kong University

of Science and Technology. Dr. Yang previously served successively as the independent non-executive director and management consultants of WeBank Co., Ltd., the Founding Head of Huawei's Noah's Ark Research Lab, the President of International Joint Conference on Artificial Intelligence (IJCAI) and an executive committee member and Conference Chair of the Association for the Advancement of Artificial Intelligence (AAAI). Dr. Yang is a Fellow of several international professional societies, including Association for the Advancement of Artificial Intelligence (AAAI), Association for Computing Machinery (ACM), Institute of Electrical and Electronic Engineering (IEEE), etc., and was elected to be a Fellow of the Royal Society of Canada and the Canadian Academy of Engineering. Dr. Yang holds a bachelor's degree in astrophysics from Peking University, master's degrees in astrophysics and computer science from the University of Maryland, College Park in the United States, and a doctor's degree in computer science from the University of Maryland, College Park.

## Biographies of Directors and Senior Management



### Mr. LEE Ka Sze Carmelo, JP

Age 65, Independent Non-Executive Director of the Company, joined the Board of Directors of the Company in May 2022, and also a member of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee. Mr. Lee has been a partner of Messrs. Woo Kwan Lee & Lo since 1989 and is currently a Non-Executive Director of Safety Godown Company, Limited and Playmates Holdings Limited, an Independent Non-Executive Director of S.F. Holding Co., Ltd., and Company Secretary of Shenzhen Investment Limited. Mr. Lee is also a member of the Campaign Committee of The Community Chest of Hong Kong. Mr. Lee previously served as an Independent Non-Executive Director of KWG Group Holdings Limited. Mr. Lee holds a Bachelor's degree in Laws and a Postgraduate Certificate in Laws from The University of Hong Kong. Mr. Lee is qualified as a solicitor in Hong Kong, England and Wales, Singapore and Australian Capital Territory.



### Mrs. LEUNG KO May Yee Margaret, SBS, JP

Age 73, Independent Non-Executive Director of the Company, joined the Board of Directors of the Company in May 2022, and also the Chairman of the Sustainability Committee and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee. She is currently an Independent Non-Executive Director of First Pacific Company Limited, Sun Hung Kai Properties Limited and Bank of China Limited. Mrs. Leung is a Non-Official Member of the Executive Council of the Hong Kong Special Administrative Region, Chairman of the Advisory Committee on Arts Development, a member of the Culture Commission, a non-ex officio member of The Law Reform Commission of Hong Kong, as well as a Council member, Treasurer, Chairman of the Finance Committee and a member of the Human Resource Policy Committee of The University of Hong Kong. Mrs. Leung formerly served as Group General Manager and Global Co-Head of Commercial Banking of HSBC Holdings plc, Vice-Chairman and Chief Executive of Hang Seng Bank Limited, as well as Deputy Chairman, Managing Director and Chief Executive of Chong Hing Bank Limited. She had also served as an Independent Non-Executive Director of Swire Pacific Limited, Hutchison Whampoa Limited, China Construction Bank Corporation, QBE Insurance Group Limited, Hong Kong Exchanges and Clearing Limited, Li & Fung Limited and Agricultural Bank of China Limited. Mrs. Leung holds a Bachelor's degree in Economics, Accounting and Business Administration from The University of Hong Kong.

## Biographies of Directors and Senior Management

### SENIOR MANAGEMENT



#### Mr. LI Huidi

Age 57, Vice President of the Company, appointed in September 2019, principally in charge of planning and construction, network, information harbor, information security, international business, design institution and others. He is also a Vice President and Chief Cyber Security Officer of CMCC, and a Director and Vice President of CMC. Mr. Li has a doctoral degree. Previously he served as a vice president and general manager of New Mobile Technology and High-end Products Division of Lenovo Group Limited, chief technology officer and chairman of Technology Innovation Committee of Lenovo Mobile Communication Technology Co., Ltd. and assistant to president of CMCC.



#### Mr. ZHANG Dong

Age 56, Vice President of the Company, appointed in July 2024, principally in charge of marketing, customer service, wireline businesses, terminals, mobile Internet, smart home, FinTech and others. He is also a Vice President and Chief Data Officer of CMCC, and a Director and Vice President of CMC. Mr. Zhang has a master's degree. Previously he served as a vice president of Hainan Mobile and Jiangsu Mobile, director general of Marketing Department of CMCC, and chairman and president of Beijing Mobile.

## Biographies of Directors and Senior Management



### Mr. CHENG Jianjun

Age 54, Vice President of the Company, appointed in February 2025, principally in charge of technological innovation, the legal and regulatory affairs, 5G co-construction and sharing, equity investment, R&D and supply chain matters. He is also a Vice President of CMCC, and a Director and Vice President of CMC. Mr. Cheng has a master's degree. He previously served as a Deputy Director-General of the Radio Administration Bureau and a Deputy Director-General of the Department of International Cooperation of the Ministry of Industry and Information Technology of China ("MIIT"), the Director-General of the Heilongjiang Communications Administration and Fujian Communications Administration, the Director of the State Radio Regulation of China (State Radio Spectrum Administration), and the Director-General of the Radio Administration Bureau of the MIIT.



### Mr. CHEN Huaida

Age 51, Vice President of the Company, appointed in March 2025, principally in charge of government and enterprise business, cloud business, system integration, ICT business, IoT and other matters. He is also a Vice President of CMCC, and a Director and Vice President of CMC. Mr. Chen has a master's degree. He previously served as a vice president of Shandong Mobile, president and chairman of Shaanxi Mobile, executive director and general manager of Shaanxi Communications Enterprises, and head of Corporate Customers Dept., Corporate Customers Branch and Xiong'an Office.

A futuristic cityscape at night, viewed from an elevated perspective. The city is illuminated with warm yellow and orange lights, contrasting with the cool blue tones of the sky and the glowing communication lines. Several translucent, glowing blue cubes are scattered throughout the scene, connected by a network of bright blue, curved lines that represent data flow or communication paths. The lines form a complex web, with some lines curving high into the air and others staying closer to the ground. The overall atmosphere is one of advanced technology and global connectivity.

**通信**  
*Communications*

# CHAIRMAN'S STATEMENT



## Chairman's Statement

### Dear Shareholders,

In 2025, as we navigated a complex external environment and a range of pressures and challenges, we delivered solid results across our operations. We maintained stable business growth with steady progress, enhanced our capabilities through comprehensive operational upgrades, and made significant advances in reform and innovation – marking a successful conclusion to the 14th Five-Year Plan period.

### 2025 RESULTS

Our operating revenue recorded stable and healthy growth in 2025, reaching RMB1,050.2 billion, up by 0.9% year-on-year. Our revenue from principal businesses<sup>1</sup> reached RMB895.5 billion, an increase of 0.7% year-on-year. Communications services<sup>2</sup> contributed 79.8% of our revenue from principal businesses, while the combined contribution of computing services<sup>3</sup> and AI (artificial intelligence) services<sup>4</sup> accounted for 20.2%, up by 1.4 percentage points year-on-year.

In 2025, profit from operations reached RMB148.9 billion, representing a year-on-year increase of 4.4%. Profit attributable to equity shareholders was RMB137.1 billion, a decrease of 0.9% year-on-year; on a comparable basis<sup>5</sup> profit attributable to equity shareholders grew by 2.0% year-on-year. Earnings per share amounted to RMB6.35. EBITDA<sup>6</sup> stood at RMB338.9 billion, an increase of 1.6% year-on-year. EBITDA margin was 32.3%, an increase of 0.2 percentage points from the year before. Our profitability maintained its leading position among top-tier global telecommunications operators. Capital expenditure totaled RMB150.9 billion, a decrease of 8.0% year-on-year. Free cash flow remained healthy and robust, amounting to RMB82.0 billion.

The Board of Directors recommends a final dividend payment of HK\$2.52 per share<sup>7</sup> for the year ended 31 December 2025. Together with the interim dividend already paid, total dividend for the full year of 2025 amounted to HK\$5.27 per share, an increase of 3.5% year-on-year. Dividend payout ratio for the full year of 2025 was 75%<sup>8</sup>.

To create higher returns for our shareholders and share the results of our growth, the Company, after giving full consideration to our profitability, cash flow position and future development needs, expects the dividend payout ratio for the full year of 2026 to be stable-to-rising.

<sup>1</sup> Operating revenue = revenue from principal businesses + revenue from other businesses; revenue from principal businesses includes revenue from three principal businesses: communications services, computing services and AI services; revenue from other businesses mainly consists of sales of mobile handsets and other terminal products.

<sup>2</sup> Communications services include mobile communications, broadband networks, cellular IoT and satellite Internet.

<sup>3</sup> Computing services include data centers, cloud computing services and cloud computing applications.

<sup>4</sup> AI services include data algorithms, embodied intelligence, digital intelligence culture, digital intelligence e-commerce and industry digital intelligence services.

<sup>5</sup> "Comparable basis" refers to excluding the tax impact of revenue disaggregation basis applied to packages.

<sup>6</sup> EBITDA = profit from operations + depreciation and amortization.

<sup>7</sup> Final dividends on A shares will be paid in RMB at an exchange rate 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 annual general meeting declares the dividends.

<sup>8</sup> Based on an exchange rate which is equal to the mid-price of HK\$ to RMB as announced by the People's Bank of China at the end of 2025.

## Chairman's Statement

### CONTINUED BUSINESS PROGRESS FROM A STABLE FOUNDATION

**Communications services resting on a solid foundation.** Communications services form the base of our business. In this business area, we adhered to integrated development and refined operations. The scale of our mobile customer base remained stable, reaching 1,005 million while the number of 5G network customers reached 642 million, with a net increase of 89.60 million and accounting for 63.9% of our mobile customer base. The number of integrated broadband network<sup>9</sup> customers scaled a new high, reaching 329 million, with a net increase of 9.99 million. Broadband network revenue grew year-on-year by 7.1%. The number of IoT card connections reached 1,480 million, with AIoT platform emerging as the world's largest connection management platform. The Company was granted a license for operating satellite mobile communications business, marking the start of commercialization of this business line. In 2025, we realized communications services revenue of RMB714.9 billion, down by 1.0% year-on-year.

**Computing services accelerating rollout.** Computing services are a key growth driver for the Company's high-quality development. We strengthened our AIDC resource supply and reserve, and our "AIDC + network + computing + operations and maintenance" service capabilities have notably improved, with our China Mobile Cloud gaining greater prominence. Data center revenue increased by 8.7% year-on-year, of which AIDC revenue rose by 35.4% year-on-year. Buoyed by surging demand for intelligent computing services, such services have become our most powerful growth engine, achieving growth of 279% and driving cloud computing service revenue up by 13.9% year-on-year. The number of monthly active Cloud Drive users reached 210 million while the number of Cloud Video customers exceeded 86.70 million. In 2025, computing services revenue grew rapidly, totaling RMB89.8 billion, an increase of 11.1% year-on-year.

**AI services breaking new ground in innovation.** AI services future-proof the Company's business and are a crucial competitive advantage. We further implemented the "AI+" action plan, driving innovation in smart digital living, smart production and smart governance scenarios. We launched the upgraded *Jiutian* 3.0 foundation large model, over 100 AI+ products and application solutions and 29 industry-specific intelligent agents, besides self-developing high-quality datasets comprising 3,500TB. Our data algorithm revenue grew by 12.6% year-on-year. Revenue from digital intelligence culture services increased by 13.3% year-on-year. We focused on the development of more than 50 proprietary industry-specific large models, including those built in collaboration with leading enterprises in energy, water resources, agriculture and other sectors to empower the advancement of new industrialization. In 2025, AI services revenue achieved favorable growth, reaching RMB90.8 billion, an increase of 5.3% year-on-year.

**Seamless integration of two customer groups.** We continued to seamlessly integrate the two customer groups of the mass and corporate markets. The integration rate between mobile and broadband customers reached 96.5%. Among our government and enterprise customers, more than 200 million were our members. This represented a net increase of 9.35 million. For the mass customer group, we focused on consolidating the existing customer base, stimulating usage, and increasing value. The number of GoTone customers reached 200 million, with a net increase of 4.19 million. The number of gigabit broadband customers reached 110 million, a net addition of 9.70 million. Revenue from the mass customer group was RMB655.1 billion, down by 1.2% year-on-year. For the government and enterprise customer group, we accelerated the market system upgrade by enhancing capabilities, expanding scale, and improving quality and efficiency. The number of government and enterprise customers reached 36.17 million, a net increase of 3.58 million. Revenue from government and enterprise customers reached RMB240.4 billion, up by 6.1% year-on-year.

<sup>9</sup> Integrated broadband network includes household broadband, enterprise broadband, dedicated Internet lines, and dedicated data lines.

## Chairman's Statement

**Rapid expansion of the international market.** To unleash business synergies, we steadily integrated the domestic and international markets. This was done by exporting high-quality products and capabilities and supporting the high-quality co-development of the “Belt and Road” Initiative. We supported 10,000 Chinese enterprises in expanding their global presence, and the number of global partner data centers exceeded 1,300. The “Hand in Hand Program” covered over 3 billion users globally. Following the successful acquisition of Hong Kong Broadband Network, we fully leveraged the synergy from that transaction to offer more diverse and high-quality communications and digital services to Hong Kong consumers. In 2025, our international market revenue grew rapidly, generating RMB29.3 billion, representing a year-on-year increase of 28.5%.

**Steadfast efforts to enhance brand and services.** The Company has built a comprehensive service system, strengthened high-quality service offerings and initiated comprehensive measures on quality management, implementing 10 service commitments and further elevating our service standards. The China Mobile APP had 346 million monthly active users, up by 50.0% year-on-year. The 5G network dwell time ratio increased to 97.6%. We have further developed and managed China Mobile's strategic brand system<sup>10</sup>, refreshing the GoTone and China Mobile *Aijia* (AI Home) customer brands and crafting our own commercial customer brand. Our brand influence continued to grow, putting China Mobile's brand value in the top rank among global telecom operators.

## FULL UPGRADE OF OPERATIONAL CAPABILITIES

**Continuously strengthening infrastructure.** *Maintained industry leadership in communications network.* The total number of our 5G network base stations exceeded 2.77 million, with continuous network coverage from township-level and above nationwide. We were the first in the world to introduce an intelligent 5G-A core network. Our gigabit network covered 530 million households while we steadily advanced the 10-gigabit optical network pilots. *Accelerated planning of computing network.* Our total intelligent computing capacity<sup>11</sup> reached 92.5 EFLOPS (FP16), achieving full-specification processor capacity ranging from 100 to over 10,000 computing cards. We refined our three-tier computing network latency to 1 millisecond within cities, 5 milliseconds within the provinces, and 20 milliseconds nationwide. Our inter-provincial backbone 400G OTN network has basically achieved nationwide coverage and we provided external IDC services through more than 1.5 million standard racks<sup>12</sup>. *Advanced AI network convergence and innovation.* We focused on building an intelligent, capability-centric platform-based infrastructure, characterized by ubiquitous connectivity and scenario-based services. We also created the MoMA<sup>13</sup> service engine and enhanced the MaaS and smart agent platform. At the same time, we accelerated the upgrade of data circulation infrastructure, IoD (Internet of Data), and made progress in the converged applications of “5G + Industrial Internet”.

**Significantly enhanced product offerings.** We seized the opportunities arising from accelerating economic and social digital transformation to relentlessly enhance product development and innovation. Our efforts achieved positive results. In communications services, we continued to upgrade areas in key technologies, transform our business model and boost traffic innovation. In computing services, we enhanced our China Mobile Cloud brand and AIDC resource supply, building intelligent cloud capabilities to enable smart scheduling and delivery of computing-network resources across general computing, intelligent computing, supercomputing and quantum computing platforms. In AI services, we fully leveraged our *Jiutian* AI capabilities – driving digital intelligence across everyday life scenarios, integrating it into production scenarios, and extending it to governance scenarios. We successfully introduced 13 products generating revenue at ten-billion-yuan level, and 17 products serving over 100 million customers. At the same time, our AI intelligent assistant *Lingxi* smart agent attracted monthly active customers exceeding 100 million.

<sup>10</sup> The system consists of the “China Mobile” corporate brand, five major customer brands: “GoTone”, “M-Zone”, “Easyown”, “China Mobile *Aijia*”, and “China Mobile Smart Enterprises”, and four major product brands: “Mobile Cloud”, “*Jiutian*”, “MIGU”, and “*Wutong*”.

<sup>11</sup> Total intelligent computing capacity includes both the Company's self-built intelligent computing capacity and rented computing capacity.

<sup>12</sup> Standard rack equivalence is calculated based on 2.5 KW per rack.

<sup>13</sup> Mixture of Models and Agents.

## Chairman's Statement

### NOTABLE RESULTS IN REFORM AND INNOVATION

**Steadfastly fostering technological capabilities.** We enhanced our organizational strength, vitality, and core capabilities through our ongoing efforts to increase investment in technological innovation and promote integrated development in communications technology, information technology and smart technology.

Network innovations continued to emerge. *In terms of communications networks*, we took the lead in jointly developing 5G-A cellular passive IoT products. With regard to 6G international standard setting, the number of projects we initiated placed us in the first tier among global operators. *In terms of computing networks*, for the first time in China, we deployed hollow-core optical fiber lines for commercial use. We also completed the first terabit-level verification on a live network. We launched Computing Network Brain 3.0, establishing eight national-level, hub-level and regional-level platforms. We released the industry's first 115.2T intelligence computing router. *In terms of AI networks*, *Jiutian* large model topped the OpenCompass Leaderboard.

Accelerated expansion in emerging fields. *In the field of Industrial Internet*, *Jiutian* • Industrial Large Model was ranked 6th in the 2025 Global Industrial Large Model TOP 50. *In embodied intelligence*, we developed the proprietary VLA embodied intelligence large model comprising 3B parameters. *In the field of low-altitude intelligent network*, we built low-altitude technology trial networks in areas including Xiong'an, Hangzhou, Guangzhou, Shenzhen and Suzhou. *In the field of quantum technology*, the total scale of our quantum-computing cloud platform surpassed 2000 Qubits, and *in the field of satellite Internet*, we launched the first consumer-grade Beidou communication-navigation integrated chip.

The Company achieved various landmark breakthroughs in technological innovation, with rising influence in this aspect. We became the first Chinese company to chair the 3GPP RAN1 Working Group; our 5G core technology patents received the China Patent Gold Award, and our paper on "*Key Technologies and Applications of Low-Altitude Intelligent Network*" won the World Internet Conference Awards for Pioneering Science and Technology.

**Progressively advancing reform management.** *Generated vitality through reforms.* We set up an office for developing computing services, coordinating network deployment, ecosystem resource integration and major project delivery. We built the AI innovation hub by founding China Mobile *Jiutian* Artificial Intelligence Technology (Beijing) Company Limited (*Jiutian* AI Research Institute), forming the Embodied AI Industry Innovation Center, the Artificial Intelligence Security and Governance Research Institute and the AI+ New Industrialization Innovation Institute. *Attracted talent with incentives.* We strengthened the talent pool under the "10-10<sup>2</sup>-10<sup>3</sup>-10<sup>4</sup>" program, continuously promoting workforce transformation and refining a precise and diversified incentive system. The scale, composition and quality of our talent pool are now better aligned with the needs of developing new quality productive forces, and the Company was recognized among China's Top 10 Best Employers 2025. *Leveraged digital intelligence to promote transformation.* We comprehensively promoted digital intelligence transformation, and our mid-end platform has responded to more than 1.4 trillion deployment requests. We accelerated the deep integration of AI across all aspects of production, operations and management, with over 80,000 active digital intelligence employees. *Strengthened lean and quality management.* We weaved precision, refinement and quality across the full process of business management to comprehensively enhance efficiency, effectiveness and performance. In 2025, growth in operating expenses was 0.6 percentage points lower than growth in operating revenue.

## Chairman's Statement

### ACTIVELY FULFILLED ESG RESPONSIBILITIES

The Company places great emphasis on sustainable development. By leveraging our own growth, we fuel and empower comprehensive development in the economy, society and environment.

**Furthered green development.** Building on the “C<sup>2</sup> Three Energy – China Mobile Carbon Peak and Carbon Neutrality Action Plan”<sup>14</sup>, we have advanced green and low-carbon operations across all aspects, from communications network, computing network to AI network. In 2025, the carbon emission intensity decreased by 6.6% year-on-year. We have fully leveraged the role of information technology in carbon reduction, reducing approximately 470 million tons of carbon emissions for the entire society.

**Practically and effectively undertook social responsibility.** We further promoted universal telecommunications services to help bridge digital divide and accelerate the realization of dual gigabit connectivity in all townships and full network coverage in all villages. We landed multiple key projects in regions including Beijing-Tianjin-Hebei, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and Sichuan-Chongqing, providing robust support for coordinated regional development. We are fully committed to building the “Beautiful and Harmonious Countryside Tour” digital intelligence platform for rural cultural tourism, empowering the revitalization of rural industries. We successfully accomplished communications missions for major events and spared no effort in safeguarding communications during flood prevention and earthquake and disaster relief missions. We actively prevented and combated illegal and criminal activities on telecommunications networks and strove to contribute to a clean and safe cyberspace.

**Corporate governance achieved notable results.** We continued to strengthen our legal compliance in business operations, building a more robust compliance management system. By reinforcing thorough supervision, we strengthened our comprehensive digital intelligence audit supervision, improving risk warning capabilities as well as risk prevention and control. We actively undertook our responsibilities as a listed company to effectively safeguard shareholders’ legal rights. We conducted more than 200 investor engagement activities, maintaining a credible, transparent and positive reputation in the capital market.

The Company’s ESG performance has received widespread recognition. China Media Group and the China Enterprise Reform and Development Society awarded the Company the title of “ESG Model Demonstration Base”. For the third consecutive year, the Company received the highest “Five-Star Excellence” rating on the “China ESG Listed Companies Pioneer 100” list. In addition, *Extel* magazine honored the Company with the title of “Most Honored Companies”, while *Bloomberg Businessweek/Chinese Edition* magazine awarded the Company the honors of “Listed Enterprises of the Year”. *FinanceAsia* also granted the Company the Gold Award of “China Best Telecommunication Services Company”. The Company was also included on the honor lists by the China Association for Public Companies, including “Best Practice for Annual Results Presentation” and “Best Practice for Listed Company Board of Directors”.

<sup>14</sup> C<sup>2</sup> Three Energy – China Mobile Carbon Peak and Carbon Neutrality Action Plan. “Three Energy” refers to the three key actions, covering energy saving, energy cleaning and empowerment.

## Chairman's Statement

### FUTURE OUTLOOK

We are faced with a new wave of technological revolution and industrial transformation, with the pace of evolution forever accelerating. Digital intelligence technologies are deeply integrated into all aspects of economic and social development, resulting in a broader and more profound scope for communications services. At the same time, computing demand is fast growing and AI applications are rapidly scaling new breakthroughs. As a leading force for innovation-driven development, a foundational industry underpinning the national economy and social progress, and a strategic frontier for international competition and future development, the information and communications industry will, as the nation advances toward building an intelligent economy and accelerating the development of new-quality productive forces, usher in new and significant opportunities. At the same time, changes in the external environment will have a pronounced impact on our industry. This is coupled with the fact that our industry is entering a critical stage of transiting from conventional to new growth drivers. Traditional communications services are experiencing slowing growth while emerging information services are yet to pick up momentum. Adjustments to value-added tax policies on telecommunications services will also affect us and add to the uncertainty.

Looking ahead, the Company will stay committed to its vision of becoming a world-class sci-tech service enterprise, focusing on its three principal businesses of communications services, computing services and AI services, while adhering to the principle of strengthening the network foundation and driving full-stack innovation. By 2030, the Company aims to basically establish itself as a world-class sci-tech service enterprise, and by 2035, to have fully established this status, becoming a world-leading communications, computing and AI service operator.

2026 marks the beginning of the 15th Five-Year Plan. We will continue to strengthen, optimize and expand our communications, computing and AI services, promoting both meaningful improvements in quality and reasonable growth in scale. On one hand, we will focus on improving quality and efficiency to enhance our core competitiveness. We will revitalize our communications services, accelerate computing services and upgrade AI services, while further strengthening our network foundation, deepening digital intelligence empowerment and reinforcing our brand strength. On the other hand, we will advance technological innovation and develop new quality productivity forces. We will focus on leading innovation and enhancing investment efficiency in our networks. We will accelerate emerging industry planning and optimize our investment in new business areas. We will promote talent development to strengthen our investment in people. We will strive to achieve stable and healthy revenue growth and coordinated profit growth on a comparable basis<sup>15</sup>, taking solid steps toward becoming a world-class technology services enterprise, while continuing to create greater value for our shareholders and customers.

### ACKNOWLEDGEMENT

Mr. Yang Jie resigned as Executive Director and Chairman of the Company in December 2025, while Mr. He Biao resigned as Executive Director and Chief Executive Officer in February 2026. During their tenure at China Mobile, Mr. Yang and Mr. He undertook significant responsibilities and led the Company's advancement in digital intelligence transformation and high-quality development with remarkable and exceptional outcomes. On behalf of the Board of Directors, I would like to express my sincere gratitude to Mr. Yang Jie and Mr. He Biao for their outstanding contributions to the Company.


Finally, I would like to take this opportunity to extend my sincere thanks, on behalf of the Board, to all shareholders, customers and the public for their long-standing care and support for the Company, and to all employees for their efforts and contributions.

**Chen Zhongyue**

*Chairman*

Hong Kong, 26 March 2026

<sup>15</sup> Excluding the impact of the policy adjustment related to the scope of value-added tax items.

A futuristic server room with glowing blue lights and floating translucent cubes. The scene is filled with a complex network of light trails and data points, creating a sense of high-speed computation and digital connectivity. The overall aesthetic is clean, modern, and high-tech.

算力  
*Computing*

# BUSINESS REVIEW

***In 2025, the Company steadily expanded its communications, computing and AI services, continuously strengthening its differentiated competitive advantages and maintaining stable business growth with steady progress. Operating revenue reached RMB1,050.2 billion, up by 0.9% year-on-year. Revenue from principal businesses reached RMB895.5 billion, up by 0.7% year-on-year.***

## KEY OPERATING DATA

	2025	2024	Change
<b>Communications Services</b>			
Mobile Customers (million)	1,005	1,004	0.1%
Of which: 5G Network Customers (million)	642	552	16.2%
Average Minutes of Usage per User per Month (MOU) (minutes/user/month)	204	222	-8.1%
Average Handset Data Traffic per User per Month (DOU) (GB/user/month)	17.3	15.9	9.0%
Average Revenue per User per Month (ARPU) (RMB/user/month)	46.8	48.5	-3.5%
Gigabit Broadband Customers (million)	109	99	9.8%
Household Customer Blended ARPU (RMB/user/month)	44.5	43.8	1.6%
IoT Card Connections (million)	1,482	1,416	4.6%
<b>Computing Services</b>			
Standard Racks <sup>1</sup> for External IDC Services (10,000 units)	150.4	134.4	11.9%
Total Intelligent Computing Capacity <sup>2</sup> (EFLOPS, FP16)	92.5	\	\
<b>AI Services</b>			
Monthly active customers of AI Intelligent Assistant, Lingxi Smart Agent (100 million)	1.17	0.24	383.9%
Cumulative views of MIGU AI Smart Match (100 million)	3.1	1.6	93.7%

<sup>1</sup> Standard rack equivalence is calculated based on 2.5 KW per rack.

<sup>2</sup> Total intelligent computing capacity includes both the Company's self-built intelligent computing capacity and rented computing capacity.

## Business Review

### STEADY DEVELOPMENT OF THREE PRINCIPAL BUSINESSES

#### Communications Services

Drawing on our advantage of scale, we further enhanced value-driven operations guided by the integrated development model of “connectivity + application + benefits + hardware”, while continuously improving operations based on customer segments and scenarios. The scale of our mobile communications business remained solid, with the number of mobile customers reaching 1,005 million.

Under the China Mobile *Aijia* (AI Home) brand, our initiatives to accelerate the comprehensive upgrade of AI+ smart home have led to favorable growth in our broadband network revenue. The number of gigabit broadband customers reached 110 million. FTTR (Fiber to the Room) customers reached 25.27 million, with a net addition of 14.64 million. The number of Mobile HD customers reached 206 million.

Our upgrade of AIoT (Artificial Intelligence of Things) has resulted in the accelerated development of key scenarios, including Industrial Internet, consumer IoT and municipal administration smart link. IoT card connections have reached 1,480 million. The Company has been granted a license for operating satellite mobile communications business, marking the start of its commercial operations.

#### Computing Services

In close alignment with the national “Eastern Data and Western Computing” initiative, we accelerated resource planning and construction across national hub nodes including Beijing-Tianjin-Hebei, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing, Inner Mongolia, Ningxia, Gansu and Guizhou. This has helped strengthen our AIDC resource supply and reserve. Data center service revenue achieved favorable growth.

By leveraging our strengths in integrated network-cloud architecture, intelligent connectivity, and cloud-intelligence synergy, we continued to upgrade the cloud-intelligence computing product portfolio, driving rapid growth in cloud computing service revenue. Buoyed by surging demand for intelligent computing services, revenue from such services increased by 279%. It has become the most powerful growth engine of our overall cloud computing service.

We focused on formulating terminal – network – cloud integrated solutions, scaling cloud computing applications such as Cloud Drive, Cloud Video and Cloud PC. Monthly active users of Cloud Drive reached 210 million, and Cloud Video customers exceeded 86.70 million.

## Business Review

### AI Services

We launched the upgraded *Jiutian* 3.0 foundation large model, over 100 AI+ products and application solutions and 29 industry-specific intelligent agents. Our data algorithm revenue saw rapid growth. We established the Embodied AI Industry Innovation Center, achieving notable progress in technology and product development, among others.

We focused on four major product categories – video, music and color media<sup>3</sup>, immersive content, and reading/games; the integrated operation of content, platform, users and commerce further highlighted our product competitiveness and differentiation. Revenue from digital intelligence culture achieved rapid growth.

We initiated the China Mobile *Aigo* Smart Life Mall, forming a digital intelligence lifestyle services platform. We also strengthened our FinTech capabilities, introducing China’s first anti-fraud product that integrates “telecommunications + anti-fraud”.

We focused on the development of more than 50 proprietary industry-specific large models, including those built in collaboration with leading enterprises in energy, water resources, agriculture and other sectors. Revenue from industry AI services achieved stable and healthy growth.

## STRENGTHENING INFRASTRUCTURE

The Company has consistently adhered to forward-looking planning and targeted investment. On one hand, we focused on consolidating our leadership in network scale, technology, quality, and security of our communications, computing, and intelligence networks. On the other hand, we maintained a lean management structure, further optimizing our investment structure, enhancing resource efficiency, ensuring investment returns, and promoting green and low-carbon development.

We continued to enhance the capabilities and quality of our networks. As of the end of December 2025, we have put into operation more than 2.77 million 5G base stations. The total length of our optical cable network reached 36.91 million sheath kilometers. The service bandwidth of our inter-provincial backbone transmission network reached 1,098Tbps, and our total intelligent computing capacity<sup>4</sup> reached 92.5EFLOPS. Our national and regional nodes for intelligent computing training covered basically all eight major national hubs.

We continued to optimize planning of our international information infrastructure. As of the end of December 2025, we owned more than 100 submarine and terrestrial cable systems connecting regions across the globe, with total international transmission bandwidth reaching 406Tbps and 446 POPs covering all major countries and regions worldwide.

Capital expenditure for the Company in 2025 totaled approximately RMB150.9 billion. We expect total capital expenditure for 2026 to be approximately RMB136.6 billion, primarily directed to maintaining leadership in the communications network, accelerating the enhancement to the computing network, exploring innovation in AI network and optimizing end-to-end user perception. The funds required will mainly be sourced from cash flow from operating activities.

<sup>3</sup> Color media refers to the content media business related to color Video Ringtones.

<sup>4</sup> Total intelligent computing capacity includes both the Company’s self-built intelligent computing capacity and rented computing capacity.



智能  
AI

# FINANCIAL REVIEW

*In 2025, we actively developed our markets, and further improved quality and efficiency in our operations. We recorded stable and healthy growth in operating revenue, maintained a leading level of profitability among international first-class telecommunications operators, and continued to create value for our shareholders.*

	2025	2024	Change
Operating revenue (RMB million)	<b>1,050,187</b>	1,040,759	0.9%
Revenue from principal businesses (RMB million)	<b>895,530</b>	889,468	0.7%
Revenue from other businesses (RMB million)	<b>154,657</b>	151,291	2.2%
Profit from operations (RMB million)	<b>148,932</b>	142,590	4.4%
EBITDA (RMB million)	<b>338,931</b>	333,691	1.6%
EBITDA margin	<b>32.3%</b>	32.1%	0.2pp
Profit attributable to equity shareholders (RMB million)	<b>137,095</b>	138,373	-0.9%
Margin of profit attributable to equity shareholders	<b>13.1%</b>	13.3%	-0.2pp
Basic earnings per share (RMB)	<b>6.35</b>	6.45	-1.6%

## Financial Review

### OPERATING REVENUE

In 2025, our operating revenue reached RMB1,050.2 billion, up by 0.9% year-on-year, of which revenue from principal businesses was RMB895.5 billion, up by 0.7% year-on-year.

#### Revenue from Principal Businesses

As we innovated in our traffic business and advanced integrated operations, we recorded RMB369.1 billion in revenue from wireless data traffic services.

We continued to solidify our high grounds in terms of broadband scale, vigorously expanded our service offerings directed at circles of family and relatives, and cultivated scale and value of our commercial customer base. Revenue from wireline broadband services reached RMB141.6 billion, up by 8.7% year-on-year.

We focused on strengthening network-cloud synergy and integrated innovation, and accelerated our expansion in computing and AI services. Revenue from applications and information services reached RMB258.8 billion, up by 6.1% year-on-year.

#### Revenue from Other Businesses

Driven by sales of handsets and other terminals, revenue from other businesses was RMB154.7 billion, up by 2.2% year-on-year.

### OPERATING EXPENSES

We pursued precision, meticulousness and leanness in all operation and management processes, and developed cost control mechanisms that cut through all members, all elements and all processes. We ensured costs were effectively managed and vigorously controlled, and continued to enhance our efficiency in cost utilization.

In 2025, our operating expenses were RMB901.3 billion, up by 0.3% year-on-year, which represented a growth rate 0.6 percentage points lower than that of our operating revenue.

	2025	2024	
	RMB million	RMB million	Change
Operating expenses	<b>901,255</b>	898,169	0.3%
Network operation and support expenses	<b>285,698</b>	283,341	0.8%
Depreciation and amortization	<b>189,999</b>	191,101	-0.6%
Employee benefit and related expenses	<b>154,104</b>	151,944	1.4%
Selling expenses	<b>56,184</b>	54,564	3.0%
Cost of products sold	<b>152,992</b>	149,240	2.5%
Other operating expenses	<b>62,278</b>	67,979	-8.4%

## Financial Review

### Network Operation and Support Expenses

While continuing to invest in transformation, we maintained strict control over outsourcing expenditures, and promoted the application of proprietary capabilities. Network operation and support expenses were RMB285.7 billion, up by 0.8% year-on-year and representing 27.2% of operating revenue.

### Depreciation and Amortization

As we adhered to precise investment and continued to optimize our investment mix, our capital expenditures gradually reduced over recent years. Depreciation and amortization were RMB190.0 billion, down by 0.6% year-on-year and representing 18.1% of operating revenue.

### Employee Benefit and Related Expenses

We consistently enhanced the incentive structure for our core staff and frontline personnel. Employee benefit and related expenses were RMB154.1 billion, up by 1.4% year-on-year and representing 14.7% of operating revenue.

### Selling Expenses

We stepped up our investment in marketing resources for customer retention and customer services. Selling expenses were RMB56.2 billion, up by 3.0% year-on-year and representing 5.3% of operating revenue.

### Cost of Products Sold

Driven by the growth in handset sales, cost of products sold was RMB153.0 billion, up by 2.5% year-on-year and representing 14.6% of operating revenue.

### Other Operating Expenses

We enhanced classification management of accounts receivable, promoted internalization of R&D capabilities, and exercised strict control over administrative expenses. Other operating expenses were RMB62.3 billion, down by 8.4% year-on-year and representing 5.9% of operating revenue.

## Financial Review

### Profitability

In 2025, we continued to improve quality and efficiency in our operations, and maintained a leading level of profitability among international first-class telecommunications operators. Profit from operations was RMB148.9 billion, up by 4.4% year-on-year. EBITDA was RMB338.9 billion, up by 1.6% year-on-year, and EBITDA margin was 32.3%, up by 0.2 percentage points year-on-year. Profit attributable to equity shareholders was RMB137.1 billion, down by 0.9% year-on-year, or up by 2.0% year-on-year on a comparable basis<sup>1</sup>, and the margin of profit attributable to equity shareholders was 13.1%.

	2025 RMB million	2024 RMB million	Change
Profit from operations	148,932	142,590	4.4%
Other (losses)/gains	(426)	4,970	-108.6%
Interest and other income	18,303	23,005	-20.4%
Finance costs	3,657	3,273	11.7%
Income from investments accounted for using the equity method	12,456	11,097	12.2%
Taxation	38,344	39,863	-3.8%
Profit attributable to equity shareholders	137,095	138,373	-0.9%

### CAPITAL STRUCTURE

Our financial position continued to remain robust. As at the end of 2025, total assets and total liabilities were RMB2,128.2 billion and RMB695.3 billion, respectively. We consistently and firmly adhered to our prudent financial risk management policies and maintained sound repayment capabilities. The liabilities to assets ratio was 32.7%.

	As at 31 December 2025 RMB million	As at 31 December 2024 RMB million	Change
Current assets	497,646	568,559	-12.5%
Non-current assets	1,630,536	1,539,568	5.9%
Total assets	2,128,182	2,108,127	1.0%
Current liabilities	613,560	633,018	-3.1%
Non-current liabilities	81,771	78,570	4.1%
Total liabilities	695,331	711,588	-2.3%
Non-controlling interests	4,376	4,507	-2.9%
Total equity attributable to equity shareholders	1,428,475	1,392,032	2.6%
Total equity	1,432,851	1,396,539	2.6%

<sup>1</sup> "Comparable basis" refers to excluding the tax impact of revenue disaggregation basis applied to packages.

## Financial Review

### FUND MANAGEMENT AND CASH FLOW

We consistently and firmly adhered to our sound and prudent financial policies and stringent fund management systems, and maintained a healthy cash flow and ensured the safety and integrity of our funds through our highly centralized management of investing and financing activities. Meanwhile, we continued to reinforce our centralized fund management efforts and made appropriate allocations of our funds, thereby fully leveraging our fund scale efficiency.

In 2025, we maintained a healthy and strong cash flow. Net cash generated from operating activities was RMB232.9 billion, down by 26.2% year-on-year. Net cash used in investing activities was RMB190.4 billion, up by 2.8% year-on-year. Net cash used in financing activities was RMB112.1 billion, up by 6.6% year-on-year. Free cash flow was RMB82.0 billion, down by 45.9% year-on-year. There were notable improvements in our net cash generated from operating activities and free cash flow in the second half from the first half of the year. As at the end of 2025, our total cash and bank balances were RMB232.8 billion, of which 92.4%, 1.8% and 5.6% were denominated in Renminbi, U.S. dollars and Hong Kong dollars, respectively.

	2025 RMB million	2024 RMB million	Change
Net cash generated from operating activities	232,919	315,741	-26.2%
Net cash used in investing activities	190,403	185,194	2.8%
Net cash used in financing activities	112,143	105,167	6.6%
Free cash flow	82,041	151,720	-45.9%

### CREDIT RATINGS

Currently, the Company's corporate credit ratings are equivalent to China's sovereign credit ratings, namely, A+/Outlook Stable from Standard & Poor's and A1/Outlook Negative from Moody's. These ratings reflect that our sound financial strength, favourable business potential and solid financial management are highly recognized by the market.

# CORPORATE RECOGNITIONS



# SUSTAINABILITY REPORT

China Mobile actively fulfills its corporate social responsibility, fully integrates the concept of sustainable development into its corporate development strategy, and will stay committed to its vision of becoming a world-class sci-tech service enterprise, with digital intelligence innovation, inclusive growth, green development, and advanced governance as its main lines of action, contributing wisdom and strength to the sustainable development of the economy, society, and environment.

**Digital intelligence innovation empowers high-quality economic and social development.** The Company actively promotes the deep integration of sci-tech innovation with industrial innovation, accelerates the development of new quality productive forces, focuses on strengthening, optimizing, and expanding communications services, computing services and AI services, and accelerates the integration of digital intelligence technologies into all sectors of the economy and society, empowering various industries and serving millions of households. As of the end of 2025, a total of over 2.77 million 5G base stations have been put into operation. Gigabit network coverage reached 530 million households. 5G network customers reached 640 million, with over 57,000 5G industry commercial cases serving 91 out of the 97 major national economy categories. Our total intelligent computing capacity reached 92.5 EFLOPS (FP16), achieving full-specification computing capabilities ranging from 100 cards to over 10,000 cards. AI intelligent assistant *Lingxi* smart agent users surpassed 100 million. We have provided services for over 10,000 enterprises via the industrial Internet platform. We have developed over 3,000 5G smart agriculture demonstration projects, and our self-developed rural revitalization cloud platform now covers 150,000 administrative villages, comprehensively empowering the digital intelligence upgrade of production, daily life, and governance. The Company's Chief Scientist and Chief Engineer Wang Xiaoyun was elected as an academician of the Chinese Academy of Engineering. Our "world's first 6G open crowdsourcing experimental device" was selected as one of the "Top Ten National Pillar brands amongst Central State-owned Enterprises in 2025"; and the "globally leading and nationally largest-scale computing power network" was selected as one of the "Top Ten Mega-Projects of China's Central State-Owned Enterprises in 2025".

**Inclusive growth actively serves, safeguards, and improves people's livelihoods.** The Company deeply practices the people-centered development philosophy, diligently provides high-quality services to customers, fully safeguards the rights and interests of customers, employees, and all stakeholders, and deepens digital intelligence inclusivity, to ensure that technology services benefit all citizens, and ensure the sharing of development achievements with the society. In 2025, the Company actively responded to customer concerns, aiming to raise service standards and lead industry norms, and announced ten service commitments to the society, continuously improving service quality. We have comprehensively strengthened our cybersecurity and information security system, built a strong cybersecurity and information defense line, cumulatively intercepted 21.32 billion spam SMS and MMS messages and blocked 1.9 trillion attempts to access various malicious websites, thereby effectively safeguarding a clean and healthy cyberspace. We have successfully completed communication and cybersecurity assurance for the Harbin Asian Winter Games and the 15th National Games of the People's Republic of China and other major events. We deeply promoted universal telecommunication services, using digital intelligence technology to promote coordinated regional development, empower rural revitalization, and assist in common prosperity, having built over 458,000 digital village standard-compliant villages. We deeply cultivated the "One Red and One Blue" public welfare and charity brand project, and actively carried out public welfare and charity activities and volunteer services, with total employee volunteer participation reaching 100,000 instances. We adhered to the "talent-driven enterprise" strategy, strengthened talent acquisition, development, and utilization, safeguarded employee rights and interests, and enhanced employee happiness.

## Sustainability Report

**We promoted green development, contributing to society's green and low-carbon transition.** The Company is actively responding to climate change and is deeply implementing the "C<sup>2</sup> Three Energy" action plan. Internally, it is deepening green and low-carbon operations, and externally, it is giving full play to the leverage role of information technology in reducing carbon emissions, empowering the green and low-carbon development of the economy and society. In 2025, the Company promoted the construction of green base stations and green data centers, launched special initiatives for "Green & Smart Wireless" and "Green & Smart Computing", saving 15 billion kWh of electricity throughout the year, with the overall PUE value of large and ultra-large data centers decreasing to 1.285, and the Company's energy consumption intensity fell by 5.6% year-on-year, and its carbon emission intensity dropped by 6.6% year-on-year. The Company actively led green development of the supply chain, through institutional building, standard integration, process supervision, and industry collaboration, and systematically promoted green transformation across the entire chain, with an e-procurement rate approaching 100%, saving 115 million sheets of paper. The Company harnessed the leverage of digital and intelligent technology in carbon reduction, supported the digital intelligence transformation and upgrading of environmental protection and pollution control, promoted ecological green development, empowered the society's green transformation, and during the 14th Five-Year Plan period, helped the entire society reduce carbon emissions by approximately 1.6 billion tons.

**Excellent governance continuously enhances sustainability capabilities.** The Company continues to promote the soundness and improvement of its modern enterprise system, strengthens Board development, promotes in-depth reform, and improves its risk management and compliance management system, thereby laying a solid foundation and providing strong support for the Company's high-quality and sustainable development. In 2025, the Company completed its reform deepening and upgrading actions with high quality, achieved significant breakthroughs in key areas of reform, and saw remarkable achievements in special reform actions, cultivating 22 Specialized, Refined, Unique, and Novel teams, with 3 of them recognized as "Little Giant" enterprises. The Company continuously strengthened the audit supervision mechanism and established a new paradigm of "AI+Audit". It improved the internal control risk prevention and control system, deeply implemented the Compliance Safeguard Program, carried out "AI+ inspection" to improve the quality and efficiency of inspections, deepened the construction of embedded integrity risk prevention and control mechanisms, and further enhanced risk prevention capabilities.

**The Company improves the sustainability management structure and working system.** Adhering to the principle of "Sincerity and Fulfillment, Self-Realization and Empowerment", the Company has established a Sustainability Committee under the Board of Directors to strengthen the supervision and management of sustainability work. The Company has continuously published the "Sustainability Report" for 20 consecutive years, deeply responding to the concerns and expectations of stakeholders. For 18 consecutive years, the Company has organized the "Selection of Excellent Corporate Social Responsibility Practices", collecting 1,464 practice achievements of various types and selecting 319 excellent achievements, thereby promoting the dissemination and application of excellent internal and external sustainability practices.

Sustainability Report

**China Mobile Sustainability Management Structure**

**Decision-making Level**

The Company's Board of Directors has established a Sustainability Committee, comprising Executive Directors and Independent Non-Executive Directors. The Committee is responsible for making recommendations to the Board on the Company's corporate social responsibility and sustainability goals, strategies, priorities, measures, and objectives, supporting the Board in making decisions on social responsibility and sustainability topics, supervising, reviewing, and evaluating the actions taken by the Company to implement its corporate social responsibility and sustainability priorities and objectives, and reviewing and reporting sustainability risks and opportunities to the Board of Directors. The establishment of the Sustainability Committee has further strengthened our sustainability governance capabilities.



**Organizational Level**

The Company has established a Sustainability Office as a standing body to lead and promote the management of important sustainability topics and information disclosure for the Company.



**Implementation Level**

The sustainability management departments of various professional departments and subordinate units are responsible for implementing the Company's sustainability requirements and management standards, and regularly reporting on the progress of sustainability work.

**China Mobile Sustainability Management System**

**Strategy Management**

- Sustainability Philosophy
- Sustainability Strategies and Planning
- Sustainability Management Systems and Specific Policies

**Implementation Management**

- Sustainability Team Building
- Sustainability Thematic Research, Promoting and Training
- Sustainability Material Topic Identification and Management
- Integration of Sustainability into Professional Management

**Communication Management**

- Sustainability Report Preparation, Publication, and Communication
- Routine and Specific Stakeholder Engagement

**Performance Management**

- Integration of Sustainability into Strategic Performance Management
- Selection of Excellent Corporate Social Responsibility Practices

For more detailed information regarding the Company's sustainable development initiatives in 2025, please refer to the "China Mobile Limited 2025 Sustainability Report" on the Company's website ([www.chinamobileltd.com](http://www.chinamobileltd.com)).

# CORPORATE GOVERNANCE REPORT

Our goal has always been to enhance our corporate value, maintain our sustainable long-term development and generate greater returns for our shareholders. In order to better achieve these objectives, we have established sound corporate governance practices following the principles of integrity, transparency, openness and efficiency, while continuing to refine various policies, internal controls and management mechanisms and procedures having regard to the major stakeholders in good corporate governance, including shareholders, board of directors and its committees, management and staff, internal auditors, external auditors and the wider community such as customers, employees, local communities, value partners, regulatory authorities so as to prevent and resolve all kinds of risks, promote good corporate governance practices and safeguard the best interests of shareholders and stakeholders.

As a company listed in Hong Kong and Shanghai, we shall also comply with corporate governance practices required by China Securities Regulatory Commission (“CSRC”) and the SSE. Please see “2. Major Differences Between the Company Laws of the Place of Incorporation, the Articles of Association and the Company Laws and other Domestic Laws” under “Section 9 – Corporate Governance” in the Prospectus for Initial Public Offering of RMB Ordinary Shares (A Shares) of China Mobile Limited dated 21 December 2021 on the major differences between our corporate governance practices and those required of listed issuers under the regulations of the CSRC.

More details about our ESG articles and charters, policies and guidelines, as well as our Sustainability Report together with this Report, are available on our website [www.chinamobileltd.com](http://www.chinamobileltd.com).

## COMPLIANCE WITH THE CODE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

The Sustainability Committee under our board of directors (the “Board”) was responsible for corporate governance functions, including to discuss issues related to environmental, social and governance matters, to develop and review policies and practices on corporate governance, to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements, and to propose and make recommendations to the Board. For the year ended 31 December 2025, 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”).

We require the procedures of our Board, its committees and other internal bodies to strictly comply with the principles of the Corporate Governance Code.

## Corporate Governance Report

### I. SHAREHOLDERS

The Company is incorporated in 1997 in Hong Kong and owned by all shareholders. Our ultimate controlling shareholder is CMCC. Our ordinary shares were listed on the HKEX and the SSE on 23 October 1997 and 5 January 2022, respectively. As of 31 December 2025, our total number of issued shares was 21,644,606,612, among which, approximately 68.80% were held directly and indirectly by CMCC. The remaining approximately 31.20% were held by public investors.

#### Shareholder Rights

Our shareholders ("Shareholders") may make inquiries in writing to the Board. Inquiries must be deposited at our registered office at 60/F, The Center, 99 Queen's Road Central, Hong Kong (the "Registered Office"), for the attention of the Company Secretary, providing sufficient contact information so that such inquiries can be properly handled. In addition, Shareholders may also raise their concerns and suggestions in the Q&A session at our annual general meetings ("AGMs").

Pursuant to the Articles of Association of the Company and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Hong Kong Companies Ordinance"), shareholders may also: (i) request to circulate a resolution for an AGM; (ii) request to call an extraordinary general meeting ("EGM") and (iii) propose a person other than a retiring director for election as a director at an AGM. Full text of the Articles of Association of the Company is available on the websites of the Company, the HKEX and the SSE.

#### I. Requisition to circulate a resolution for an AGM

- The Company holds a general meeting as its AGM every year. The AGM is usually held in May.
- A requisition to circulate a resolution for the AGM may be submitted by:
  - (i) shareholder(s) representing at least 2.5% of the total voting rights of all shareholders who have a right to vote on the resolution at the AGM; or
  - (ii) at least 50 shareholders who have a right to vote on the resolution at the AGM.
- The request must identify the resolution of which notice is to be given, and must be authenticated by the person(s) making the request. The request should be sent to the Company at the Registered Office, for the attention of the Company Secretary, and must be received by the Company not later than six weeks before the AGM or, if later, the time at which notice is given of the AGM.
- The request will be verified with Computershare Hong Kong Investor Services Limited ("Computershare"), the Company's share registrar, and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the AGM.

## Corporate Governance Report

### II. Request to call an EGM

- Shareholder(s) representing at least 5% of the total voting rights of all shareholders having a right to vote at general meetings of the Company can make a request to call an EGM.
- The request must state the general nature of the business to be dealt with at the meeting, and must be authenticated by the person(s) making the request. The request may include the text of a resolution that may properly be moved and is intended to be moved at the meeting, and may consist of several documents in like form. The request should be sent to the Company at the Registered Office, for the attention of the Company Secretary.
- The request will be verified with Computershare, the Company's share registrar, and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered shareholders.

### III. Proposing a person other than a retiring director for election as a director at an AGM

If a shareholder wishes to propose a person other than a retiring director for election as a director at an AGM, he/she must lodge a written notice to that effect at our Registered Office for the attention of the Company Secretary. In order for the Company to inform shareholders of that proposal, the written notice must state the full name and biographical details of the person proposed for election as a director as required by Rule 13.51(2) of the Hong Kong Listing Rules, and be signed by such shareholder. A written notice signed by the person proposed for election as a director indicating his/her willingness to be elected must also be lodged with the Company. The period for lodgment of such written notices shall be of not less than seven days and shall commence no earlier than the dispatch of the notice of the AGM and end no later than seven days prior to the date of the AGM. If the notices are received less than 15 days prior to the AGM, the Company will need to consider the adjournment of the AGM in order to allow shareholders 14 days' notice of the proposal.

The above details and procedures on Shareholders' Rights are available on our website.

## Corporate Governance Report

### Shareholder Value and Communication

The Company's established principle is to strive to create value and generate greater returns for Shareholders. We believe that our industry-leading profitability and ability to generate healthy cash flow will provide sufficient support for our future development while continuing to create higher value for Shareholders.

Financial Year		Ordinary	Total
		Dividend Per Share	Dividend Per Share
		(HKD)	(HKD)
2025	final <sup>1</sup>	2.520 <sup>2</sup>	5.270
	interim	2.750	
2024	final	2.490	5.090
	interim	2.600	
2023	final	2.400	4.830
	interim	2.430	
2022	final	2.210	4.410
	interim	2.200	
2021	final	2.430	4.060
	interim	1.630	

<sup>1</sup> Pending approval at the AGM.

<sup>2</sup> The final dividend will be denominated and declared in Hong Kong dollars, and paid to holders of A Shares in RMB at an exchange rate calculated on the basis of the average of the mid-prices of HKD to RMB as announced by the People's Bank of China during the one week prior to the date of the AGM for declaring the dividend.

To ensure effective communications between the Company and Shareholders, we have formulated Shareholders' communication policies. We regularly review the implementation of these policies and consider them to be effective. We have adopted [www.chinamobileltd.com](http://www.chinamobileltd.com) as the designated company website for publication of our announcements, notices and other corporate communications, and established a securities affairs department, dedicated to providing necessary information and services to Shareholders and investors, to maintain an active dialogue with them as well as other participants in the capital markets, and to make sure they are fully informed of our operations and development.

We use a number of formal channels to report to Shareholders on the performance and operations of the Company, particularly through our annual and interim reports. Generally, when announcing interim results, annual results or major transactions in accordance with the relevant regulatory requirements, the Company arranges investment analyst conferences, press conferences and investor conferences to explain the relevant results or major transactions to Shareholders, investors and the general public, listen to their opinions and address any questions they may have. In addition, the Company adheres to the practice of disclosing certain key, unaudited operational and financial data on a quarterly basis to further increase the Group's transparency and to provide Shareholders, investors and the general public with additional and timely information so as to facilitate their understanding of the Group's operations.

## Corporate Governance Report

The Company maintains close communication with investors through investment conferences, one-on-one meetings, teleconferences and other forms of exchange and interaction to timely deliver information on our operations to the capital markets. In 2025, we carried out an aggregate of over 200 investor meetings and activities. We will continue our efforts to enhance investor relations.

The Company also attaches great importance to general meetings, including AGMs and EGMs. We use the AGM as a forum to establish constructive dialogue with Shareholders, and make substantial efforts to enhance communications between the Board and the Shareholders. At each general meeting, the Board always makes efforts to fully address questions raised by Shareholders.

### 2025 Annual General Meeting

In 2025, we held one AGM. On 22 May 2025, we held our AGM in the Grand Ballroom, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong. The major items discussed and the percentage of votes cast in favour of the resolutions are set out as follows:

1. to consider and approve the 2024 Annual Report (including the audited consolidated financial statements, the Report of the Directors and the Report of the Auditors for the year ended 31 December 2024) of the Company (99.9697%);
2. to consider and approve the profit distribution plan of the Company and declare a final dividend for the year ended 31 December 2024 (99.9698%);
3. to consider and approve the authorization to the Board to determine interim profit distribution of the Company for the year ending 31 December 2025 (99.9697%);
4. to re-elect Mr. WANG Limin and Mr. LI Ronghua as executive directors of the Company (99.9248% and 99.9483%, respectively);
5. to re-elect Mr. YIU Kin Wah Stephen as an independent non-executive director (“INED”) of the Company (99.7442%);
6. to re-appoint KPMG and KPMG Huazhen LLP as the auditors of the Group, and to authorize the Board to fix their remuneration (99.9692%);
7. to give a general mandate to the Board to buy back Hong Kong Shares not exceeding 10% of the number of issued Hong Kong Shares (excluding treasury Shares) (99.9687%);
8. to give a general mandate to the Board to allot, issue and deal with additional Shares (including the sale or transfer of treasury Shares) not exceeding 20% of the number of issued Shares (excluding treasury Shares) (97.2764%);
9. to extend the general mandate granted to the Board to allot, issue and deal with Shares (including the sale or transfer of treasury Shares) by the number of Hong Kong Shares bought back (98.1560%);
10. to consider and approve the external guarantees plan for 2025 (98.1747%); and
11. to consider and approve the continuing performance of affiliated transaction agreements with China Tower (99.9692%).

All resolutions were duly passed at the AGM. Computershare Hong Kong Investor Services Limited, the Hong Kong share registrar of the Company, acted as scrutineer for vote-taking at the AGM. Poll results were announced on the websites of the Company, the HKEX and the SSE on the day of the AGM.

## Corporate Governance Report

### 2026 Annual General Meeting

The 2026 AGM will be held on Thursday, 21 May 2026 at 10:00 am at the Grand Ballroom, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong. The Notice of the 2026 AGM and Shareholders' circular will be sent together with this Annual Report. The Notice, the circular which sets out details of the business to be conducted at the 2026 AGM, and the proxy form will be available on our website. The results of the voting on the proposed resolutions will be published on our website shortly after the 2026 AGM is held.

### Shareholders' Calendar

The following table sets out the tentative important dates for our shareholders for the financial year ending 31 December 2026. Such dates are subject to change. Shareholders should refer to our announcements issued from time to time.

#### 2026 Important Shareholders' Dates

26 March	Announcement of final results and final dividend for the year ended 31 December 2025; Publication of 2025 A-Share annual report on the websites of the Company and the SSE
23 April	Publication of 2025 annual report on the websites of the Company and the HKEX
24 April	Dispatch of 2025 annual reports to Hong Kong shareholders
21 May	2026 AGM
Late June	Payment of final dividend for the year ended 31 December 2025
Mid-August	Announcement of interim results and interim dividend, if any, for the six months ending 30 June 2026
September to October	Payment of interim dividend for the six months ending 30 June 2026, if any

## Corporate Governance Report

## II. THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

### The Board of Directors

The key responsibilities of the Board include formulating the Group's overall strategies and objectives, setting management targets, overseeing internal controls and financial management, and supervising the performance of our management, while day-to-day operations and management are delegated by the Board to the management of the Company.

In accordance with the Articles of Association and the Policy Governing the Procedures of Board Meetings of the Company, the main functions and powers of the Board include:

1. to convene general meetings and report its work at general meetings;
2. to execute resolutions passed at general meetings;
3. to formulate proposals for distribution of dividends of the Company;
4. to formulate proposals for increasing or reducing the number of issued shares of the Company;
5. to formulate proposals for the amalgamation, winding up or change of company status of the Company (including a change from a public company to a private company):
6. to the extent permitted under or authorized at applicable laws and regulations, the listing rules, general meetings and the Articles of Association, to consider and approve the material transactions, external investments, acquisitions or disposals of assets, pledges of assets, external guarantees, connected transactions, affiliated transactions and other matters of the Company;
7. to appoint or remove the chief executive officer, other members of senior management and the company secretary of the Company, and to determine their remuneration as well as awards and penalties;
8. to formulate proposals for amending the Articles of Association;
9. to propose to the general meeting the appointment or change of the auditors in charge of the audit of the Company;
10. to the extent permitted by applicable laws and regulations and the listing rules, to consider and approve the issue of bonds (other than convertible bonds that require consideration and approval at a general meeting) by the Company; and
11. other functions and powers as provided under applicable laws and regulations, the listing rules, the Articles of Association and so forth.

The Board currently comprises seven directors, namely Mr. CHEN Zhongyue (Chairman), Mr. WANG Limin and Mr. LI Ronghua (CFO) as executive directors, and Mr. YIU Kin Wah Stephen, Dr. YANG Qiang, Mr. LEE Ka Sze Carmelo and Mrs. LEUNG KO May Yee Margaret as INEDs. There is no financial, business, family or other material/relevant relationship(s) between the Board members. The list of directors and their roles and functions is available on the websites of our Company, the HKEX and the SSE. The biographies of our directors are presented on pages 7 to 10 of this annual report and on our website.

## Corporate Governance Report

Mr. HE Biao has resigned from his positions as an executive director, the Chief Executive Officer and a member of the Sustainability Committee of the Company by reason of work reassignment with effect from 12 February 2026. Mr. YANG Jie resigned from his positions as an executive director and the Chairman of the Company by reason of age with effect from 22 December 2025. Mr. LI Pizheng resigned from his position as an executive director of the Company by reason of age with effect from 8 January 2025. Each of Mr. He, Mr. Yang and Mr. Li has confirmed that there was no disagreement with the Board and there was no matter relating to his resignation that needed to be brought to the attention of the Shareholders.

As proposed by the Nomination Committee of the Company and after review and approval by the Board, Mr. WANG Limin was appointed as an executive director of the Company with effect from 8 January 2025, and Mr. CHEN Zhongyue was appointed as an executive director and the Chairman of the Company with effect from 22 December 2025.

### Directors' Skills

Skills Area	Description	Importance	Adequacy	Plans to Acquire Skills
Executive Leadership & Strategy	Ability to lead corporate teams and implement plans and policies, and to identify strategic opportunities and threats, whilst developing and implementing plans to achieve corporate objectives	Essential	Adequate	Not applicable
Information and Communications Technology	Understanding of the Company's business operations, market development and competition landscape	Essential	Adequate	Not applicable
Scientific Research & Artificial Intelligence	Understanding of scientific research and development, innovation, artificial intelligence and other technologies relevant to the Company's future development to ensure that the Company is forward-thinking	Essential	Adequate	Not applicable
Accounting & Financial Management	Ability to read and comprehend accounts, financial materials and financial reporting requirements	Essential	Adequate	Not applicable
Risk Management and Compliance	Ability, experience and relevant professional qualification in implementing, managing and overseeing risk management and internal control systems for legal and regulatory compliance	Essential	Adequate	Not applicable
Sustainability	Understanding of and ability to develop and implement strategies to manage environmental, social and governance-related risks and opportunities	Essential	Adequate	Not applicable

## Corporate Governance Report

### Induction and Development

We provide our new directors with comprehensive induction training conducted by our external legal advisers to ensure that they have a thorough understanding of the Group's operations and governance policies, as well as their role and responsibilities as Board members. The Company's external legal advisers from Hong Kong and the Chinese mainland provided legal advice to Mr. CHEN Zhongyue prior to his appointment in December 2025 on Hong Kong laws as referred to in Rule 3.09D of the Hong Kong Listing Rules as regards the requirements under the Hong Kong Listing Rules that are applicable to him as a director of a Hong Kong listed company and the possible consequences of making false declarations or giving false information to the Hong Kong Stock Exchange, as well as on Chinese laws regarding the Standardized Operation of A-Share Listed Companies. Mr. Chen confirmed that he understood his obligations as a director of a listed issuer.

Continuous training enables our directors to stay abreast of development trends and key issues facing the Group, and also allows them to update the skills and knowledge necessary to effectively perform their duties. All of our directors have complied with Code Provision C.1.4 of the Corporate Governance Code on participation in continuous professional development, and provided records of the trainings they received in 2025 to the Company.

### 2025 Directors' Training by Topic

Director	The roles, functions and responsibilities of the Board, its Committees and directors, & the effectiveness of the Board	Duties of a listed company and its directors/ relevant major legal and regulatory developments	Corporate governance/ ESG	Risk management & internal controls	Updates on industry development, business trends & strategies of listed companies	Total hours of training
Mr. CHEN Zhongyue <sup>1</sup> (Chairman)	9	13.5	11.5	4.5	18	76
Mr. WANG Limin	6	3	7	3.5	3.5	47
Mr. LI Ronghua	1	2	6	2	57	68
Mr. YIU Kin Wah Stephen	1	1	2	3.5	1	23.5
Dr. YANG Qiang	1	1	2	1	20	6
Mr. LEE Ka Sze Carmelo	1.5	5.5	3	4.5	20	4.5
Mrs. LEUNG KO May Yee Margaret	1	29	27	1	20	78
Mr. YANG Jie <sup>2</sup>	1	1	2	1	54	59
Mr. HE Biao <sup>3</sup>	1	2	3	2	50	24

<sup>1</sup> Mr. CHEN Zhongyue was appointed as an executive director and the Chairman of the Company with effect from 22 December 2025.

<sup>2</sup> Mr. YANG Jie resigned from his positions as an executive director and the Chairman of the Company with effect from 22 December 2025.

<sup>3</sup> Mr. HE Biao resigned from his positions as an executive director, the Chief Executive Officer and a member of the Sustainability Committee of the Company with effect from 12 February 2026.

- Internal training
- External training, including primarily training provided by the Company's legal advisers, internal control consultant and other professional advisers, as well as training provided by other listed issuers in which he/she serves and professional bodies, where applicable.

## Corporate Governance Report

### Remuneration, Appointment and Rotation of Directors

The Remuneration Committee is responsible for determining the remuneration packages of all executive directors and senior management. The remuneration package of our executive directors consists of a basic annual salary, a performance-linked annual bonus and a term-based incentive. The remuneration of INEDs is determined in part by reference to their experience, the prevailing market conditions and their workload as INEDs and members of the Board committees of the Company. Please refer to notes 11 and 12 to the consolidated financial statements on pages 112 to 114 of this annual report for directors' and senior management's remuneration in 2025.

The Board has adopted a Director Nomination Policy. The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out below to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. Criteria in evaluating and selecting candidates for directorship include:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategies, and diversity considerations under the Board Diversity Policy;
- Requirement for the Board to have independent directors in accordance with the Hong Kong Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Hong Kong Listing Rules;
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

All newly-appointed directors receive a comprehensive induction to make sure that they have a proper understanding of the operations and business of the Company, and that they are fully aware of their responsibilities as a director, the listing rules of the stock exchanges on which the Company is listed, applicable laws and regulations, and their duties under the business and governance policies of the Company. The service contracts of our INEDs do not provide for a specified length of service. All newly-appointed directors are subject to re-election by shareholders at the first AGM after their appointment. Every director is subject to retirement by rotation and needs to stand for re-election at least once every three years.

## Corporate Governance Report

The nomination and appointment of Mr. CHEN Zhongyue and Mr. WANG Limin in 2025 were conducted in accordance with the above policy and procedures. The Company has not entered into any service contract with Mr. Chen and Mr. Wang which provides for a specified length of service. Mr. Wang has been re-elected as an executive director of the Company at our AGM held on 22 May 2025 and Mr. Chen shall hold office until the coming AGM and then be eligible for re-election. As proposed by the Board and approved by the shareholders of the Company, each of Mr. Chen and Mr. Wang will receive an annual director's fee of HK\$180,000. Such fees are payable on a time pro-rata basis for any non-full year's service. The remuneration of Mr. Chen and Mr. Wang has been determined by the Board with reference to their respective duties, responsibilities and experience, prevailing market conditions and so forth. Both Mr. Chen and Mr. Wang have voluntarily waived their annual director's fee of HK\$180,000.

### Board Meetings

Board meetings of the Company are held at least once a quarter and as and when necessary. Our directors are requested to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at Board meetings and abstain from voting as appropriate. In 2025, as all of our executive directors hold executive positions at CMCC, they have voluntarily abstained from voting on the Board resolutions approving continuing connected transactions and routine affiliated transactions. Our Chairman held one meeting with the INEDs without the presence of other directors in 2025.

During the financial year ended 31 December 2025, the Board met on eleven occasions (including four occasions by way of written resolutions) and the directors' attendances at the meetings were as follows:

	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee	AGM
<i>INEDs</i>						
Mr. YIU Kin Wah Stephen	11	7	3	3	–	1
Dr. YANG Qiang	11	7	3	3	–	1
Mr. LEE Ka Sze Carmelo	11	7	3	3	2	1
Mrs. LEUNG KO May Yee Margaret	11	7	3	3	2	1
<i>Executive Directors</i>						
Mr. CHEN Zhongyue <sup>1</sup> (Chairman)	1	–	–	–	–	–
Mr. YANG Jie <sup>2</sup>	8	–	–	–	–	1
Mr. HE Biao <sup>3</sup>	11	–	–	–	2	1
Mr. LI Pizheng <sup>4</sup>	–	–	–	–	–	–
Mr. WANG Limin <sup>5</sup>	9	–	–	–	–	1
Mr. LI Ronghua (CFO)	7	–	–	–	1	0

<sup>1</sup> Mr. CHEN Zhongyue was appointed as an executive director and the Chairman of the Company with effect from 22 December 2025.

<sup>2</sup> Mr. YANG Jie resigned from his positions as an executive director and the Chairman of the Company with effect from 22 December 2025.

<sup>3</sup> Mr. HE Biao resigned from his positions as an executive director, the Chief Executive Officer and a member of the Sustainability Committee of the Company with effect from 12 February 2026.

<sup>4</sup> Mr. LI Pizheng resigned from his positions as an executive director of the Company with effect from 8 January 2025.

<sup>5</sup> Mr. WANG Limin was appointed as an executive director of the Company with effect from 8 January 2025.

## Corporate Governance Report

Our directors attend Board meetings and committee meetings in person or by video or telephone conferencing. In 2025, the Board resolved on various matters, among others, relating to appointment of directors, our continuing connected transactions and routine affiliated transactions, the 2025 Hong Kong and A-shares interim reports, the 2025 interim dividend, the 2024 Annual Reports (including the audited financial statements and the Report of the Auditors for the year ended 31 December 2024), the sustainability report, the 2024 annual and 2025 interim profit distribution plans, the annual material risks evaluation report, the annual internal controls evaluation report, re-appointment of auditors and determination of their remuneration, annual business, investment and financial plans, annual external guarantees plan, equity investment plan, annual internal audit project plan, the on-going strategic planning and implementation priorities, Conclusion Report on HKEX Enhancement of Corporate Governance Code and related Listing Rules, adoption of the diversity policy of employees, amendment of the Board Diversity Policy and the terms of reference of the Nomination Committee. In addition, the Board reviewed and approved our quarterly results and other matters by means of written resolutions.

### Board Composition

The Board has adopted a **Board Diversity Policy** since September 2013. In considering the composition of the Board, diversity will be considered from a number of perspectives in accordance with our business model and specific needs, including professional experience and qualifications, regional and industry experience, educational and cultural background, skills, industry knowledge and reputation, knowledge of the laws and regulations applicable to the Group, gender, ethnicity, language skills and length of service etc. Such perspectives under the Board Diversity Policy shall be taken into account in recommending appointment and re-election of directors and be monitored on an on-going basis by the Nomination Committee of the Company. The Board Diversity Policy is available on our website.

In 2025, our Nomination Committee, in consideration of the composition of the Board, the Board Diversity Policy and the strategy and need of business development of the Company, reviewed and approved the appointment of our Chairman Mr. CHEN Zhongyue and executive director Mr. WANG Limin. The Board and the Nomination Committee currently include one female director and has met its target for gender diversity. In 2025, the Nomination Committee reviewed and amended the Board Diversity Policy and its terms of reference.

	Four INEDs & three EDs			
Gender	Female		Male	
	1 director		6 directors	
Ethnicity	Chinese			
	7 directors			
Age Group	51-55	56-60	61-65	66-75
	1 director	2 directors	3 directors	1 director
Directorship with the Company (no. of years)	<1	1-3	4-6	7-9
	1 director	3 directors	1 director	2 directors
Other Public Company Directorship(s) (no. of companies)	0	1	2	3
	3 directors	1 director	1 director	2 directors

We have established a succession mechanism to maintain a balanced **composition of the Board**, and to ensure independent views and input are available to the Board.

The Company has received a **confirmation of independence** from each of our INEDs, namely Mr. YIU Kin Wah Stephen, Dr. YANG Qiang, Mr. LEE Ka Sze Carmelo and Mrs. LEUNG KO May Yee Margaret and considers them to be independent. Currently, 75% of the INEDs of the Company served less than nine years with the Company.

## Corporate Governance Report

To ensure the timely disclosure of any change to directors' personal information, we have set up a specific communication channel with each of our directors. The directors have disclosed to the Company their positions in other public companies or organizations and other significant commitments at the time of their respective appointment, and the Company has made enquiries with all directors for any changes in the course of preparing our annual and interim reports and made appropriate disclosures in a timely manner. Information regarding their directorships in other listed public companies in the last three years is set out on pages 7 to 10 of this annual report and on the Company's website. In compliance with the new requirements regarding "over-boarding" under the Hong Kong Listing Rules, none of our INEDs concurrently hold more than six directorships of issuers listed on the Hong Kong Stock Exchange. The Company purchases a directors and officers' liabilities insurance on behalf of its directors and officers and reviews the terms of such insurance annually.

### Capital Management

The Board has adopted a **Dividend Policy** in 2019 to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment and distribution of dividends to the shareholders of the Company, which includes, among others, in recommending or declaring dividends, the Company shall allow its shareholders to participate in the Company's profits whilst retaining adequate cash reserves for meeting its working capital requirements and long-term sustainable development needs. The Company shall also take into account the Group's actual financial performance, business strategies and operations, future capital requirements and investment needs, as well as economic conditions and other internal or external factors that may have an impact on the business or financial performance and conditions of the Group, and other factors that the Board may consider relevant.

After giving full consideration to the Company's profitability, cash flow generation and future development needs, in the three-year period from 2024, the profit to be distributed in cash for each year will gradually increase to above 75% of the profit attributable to equity shareholders of the Company for that year, striving to generate greater value for shareholders.

The Company has adopted the **Model Code** set out in Appendix C3 to the Hong Kong Listing Rules to regulate the directors' securities transactions. Save and except for the interests disclosed on pages 63 to 64 of this annual report, none of the directors had any other interest in the shares of the Company as of 31 December 2025. All directors have confirmed, following specific enquiry by the Company that they have complied with the Model Code during the period between 1 January 2025 and 31 December 2025.

The directors of the Company are responsible for the preparation of the accounts of the Company. Our management submits monthly reports to the members of the Board, setting out the Company's performance as well as industry reports and information, to enable them to make a more comprehensive assessment and to have a more thorough understanding of our performance and prospects. For the reporting responsibilities of the auditors with respect to our financial statements, please refer to the Independent Auditor's Report on pages 73 to 78 of this annual report.

### The Board Committees

The Board currently has four principal Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee. Except for the Sustainability Committee, each committee consists solely of INEDs. With the appointment and authorization of the Board, each of the Board committees operates under its written terms of reference. In 2025, the Board amended the terms of reference of the Nomination Committee.

The terms of reference of the Board committees of the Company are available on the websites of the Company, the HKEX and the SSE, and can be obtained from the Company Secretary upon written request.

## Audit Committee

### Membership

The current members are Mr. YIU Kin Wah Stephen (Chairman), Dr. YANG Qiang, Mr. LEE Ka Sze Carmelo and Mrs. LEUNG KO May Yee Margaret, who are all INEDs. The members of our Audit Committee possess professional qualifications and extensive experience in accounting, finance and risk management, artificial intelligence and sci-tech research, laws and regulations, economics and business and so forth.

### Summary of Authorities and Duties

The Audit Committee is authorized by the Board to investigate any activity within its terms of reference. It is also authorized to seek any information it requires from any employee and to seek outside legal or other independent professional advice at the Company's expense. The duties of the Audit Committee are, among others, to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of external auditors, to approve the remuneration and terms of engagement of external auditors, and to deal with any questions of resignation or dismissal of such auditors; to review and monitor external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; to develop and implement policy on the engagement of external auditors to provide non-audit services; to monitor the truth, integrity and accuracy of the Company's financial statements, annual reports and accounts, interim reports and, where applicable, quarterly reports, and to review significant financial reporting judgments contained in them; and to oversee the Company's financial reporting system, risk management and internal controls.

### Summary of Work Done in 2025

In 2025, the Audit Committee met on seven occasions (including two occasions by way of written resolutions) and the attendance of each member is disclosed on page 45 of this annual report. It met with our external auditors for three times in 2025 and one of such meetings was held without any executive directors being present.

Work done by the Audit Committee in 2025 mainly included the following:

- reviewed and approved the audited financial statements, annual results, report of the directors, financial review, etc. for the financial year ended 31 December 2024;
- reviewed and approved the 2024 profit distribution plan and the 2025 interim dividend;
- reviewed and approved the re-appointment, the budgets and remuneration of external auditors of the Company;
- reviewed and approved the quarterly results for the first quarter and the first three quarters of 2025 respectively, the interim results for the six months ended 30 June 2025;
- reviewed and approved the equity investment work in 2024 and the equity investment plan in 2025;
- reviewed and approved the 2024 internal control evaluation report;
- reviewed and approved the internal audit reports;
- reviewed and approved the annual risk assessment report and annual external guarantees plan;
- reviewed and approved the 2024 assessment report on accounting and financial reporting system; and
- reviewed and approved connected (affiliated) transactions.

In 2025, our Audit Committee completed a review on our risk management and internal controls, and its own performance in the previous year as well.

## Corporate Governance Report

### Remuneration Committee

#### Membership

The current members are Mr. YIU Kin Wah Stephen (Chairman), Dr. YANG Qiang, Mr. LEE Ka Sze Carmelo and Mrs. LEUNG KO May Yee Margaret, who are all INEDs.

#### Summary of Duties

The duties of the Remuneration Committee are, among others, to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of non-executive directors; to review and approve the management's remuneration proposals with reference to corporate goals and objectives resolved by the Board from time to time; to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment; to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct; to ensure that no director or any of his associates is involved in deciding his own remuneration; to make recommendations to the Board on the Company's policy and structure for remuneration of all directors, senior management and employees including salaries, incentive schemes and other share option schemes, and on the establishment of formal and transparent procedures for developing remuneration policy; and to review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules.

#### Summary of Work Done in 2025

In 2025, the Remuneration Committee met on three occasions (including one occasion by way of written resolutions), during which the committee primarily resolved to approve the target and actual completion rate of senior management's annual key performance indicators (KPIs).

## Corporate Governance Report

### Nomination Committee

#### Membership

The current members are Dr. YANG Qiang (Chairman), Mr. YIU Kin Wah Stephen, Mr. LEE Ka Sze Carmelo and Mrs. LEUNG KO May Yee Margaret, who are all INEDs.

#### Summary of Duties

The duties of the Nomination Committee are, among others, to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of INEDs; to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors, in particular the Chairman and the Chief Executive Officer; to support the Company's regular evaluation of the performance of the Board; and make recommendations to the Board on the policy for nomination of directors and its implementation.

#### Summary of Work Done in 2025

In 2025, the Nomination Committee met on three occasions (including one occasion by way of written resolutions), during which the committee resolved to approve the appointment of directors, and amendments to the Board Diversity Policy and terms of reference of our Nomination Committee.

## Corporate Governance Report

### **Sustainability Committee**

#### **Membership**

The current members are Mrs. LEUNG KO May Yee Margaret (INED) (Chairman), Mr. LI Ronghua (ED) and Mr. LEE Ka Sze Carmelo (INED).

#### **Summary of Duties**

The duties of the Sustainability Committee are, among others, to discuss issues related to environmental, social and governance matters, to propose and make recommendations to the Board on the Company's corporate social responsibility and sustainability objectives, strategies, priorities, initiatives and goals, and to report to the Board on its decisions; to oversee, review and evaluate actions taken by the Company in furtherance of the corporate social responsibility and sustainability priorities and goals; to review and report to the Board on sustainability risks and opportunities; to develop and review policies and practices on corporate governance, and make recommendations to the Board; to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; to review and monitor the training and continuous professional development of directors and senior management; to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and to review and make recommendations to the board of directors on the Company's public communication, disclosure and publications (including the Sustainability Report and the Corporate Governance Report) as regards to its performance in corporate social responsibility, sustainability and corporate governance.

#### **Summary of Work Done in 2025**

In 2025, the Sustainability Committee met twice, and resolved to approve the 2024 Sustainability Report, Corporate Governance Report, the report on compliance with relevant laws and regulations, and the Workforce Diversity Policy.

## Corporate Governance Report

### III. MANAGEMENT AND EMPLOYEES

The task of our management is to implement the strategy and direction as determined by the Board, to take care of day-to-day operations and functions of the Company, and to maintain the values and corporate culture of China Mobile. The division of responsibilities among our principal executive officers and senior management is set out in the biographies of directors and senior management on pages 7 to 12 of this annual report and on the Company's website.

The Company has implemented a number of Group-wide governance policies and systems, which are subject to regular review, to support its commitment to high standards of business, professional, and ethical conduct, and provided clear guiding principles for our management and employees to do what is right and obey all laws and regulations. They are also subject to various trainings and continuous professional development, including a variety of online learning and information sources, formal executive development programs and attendance at executive briefings on relevant topics. These principles cover all aspects of our operations.

In 2025, we adopted an Employee Diversity Policy. Diversity is a core value of the Company and also an essential element of our high-quality and sustainable development. We embrace diversity and uphold non-discriminatory employment practices. Strictly abiding by the requirements under the laws and regulations of where we operate, we have upheld the principles of fairness, openness and impartiality in our recruitment process, and challenged and taken measures to prevent any form of workplace discrimination. We formulated and stipulated in the China Mobile Recruitment Management Measures that there shall be no discriminatory conditions such as race, ethnicity, gender, religion, body height, appearance or any other conditions that are irrelevant to the work duties. Adhere to the principle of equal employment, we keep improving our remuneration and benefits management, maintaining channels for open communication with employees, and effectively protecting their basic rights and interests. By the end of 2025, the total number of our employees reached 461,345, and no cases of child labor or forced labor were identified.

	Male	Female	Total
Employees	223,719	237,626	<b>461,345</b>
– Senior management	8	0	<b>8</b>
– Other employees	223,711	237,626	<b>461,337</b>

#### Code of Ethics and Anti-Corruption

For the purpose of promoting honest and ethical conducts and deterring wrongdoings, the Company, in 2004, adopted a code of ethics, which is applicable to our chief executive officer, chief financial officer, deputy chief financial officer, assistant chief financial officer and other designated senior officers of the Group. In the event of a breach of the code of ethics, the Company may take appropriate preventive or disciplinary actions after consultation with the Board.

On whistleblowing, the Company has set up a mailing address (Tower A, 29 Jin Rong Avenue, Xicheng District, Beijing 100033) and a CEO mailbox, as well as welcomes reports during on-site supervision and inspections, as channels for employees and the public to raise concerns about misconduct, malpractices or improprieties in any matter related to the Company. The Company upholds whistleblowers' lawful rights and interests and keeps reports, status of investigations and information of whistleblowers strictly confidential. More information for the number of corruption litigation cases and their results are published on the website of the Central Commission for Discipline Inspection and the National Supervisory Commission.

## Corporate Governance Report

With respect to **anti-corruption**, we adhere to business ethics and conduct business operations responsibly. We oppose any forms of corruption and maintain a zero-tolerance policy for any discovered and confirmed acts of corruption. We have persisted in establishing our anti-corruption systems that cover all aspects of anti-corruption and formulated an Integrity Commitment Trial System, continuing to deepen the construction and digital intelligence level of our embedded integrity risk prevention and control mechanisms. In 2025, we carried out diversified and targeted integrity education activities for an aggregate of 13,000 times covering approx. 470,000 senior management and employees.

Indicator	2023	2024	2025
Anti-corruption education events held during the year	13,705	14,736	13,785
Anti-corruption education and trainings – participants during the year (person-times)	833,181	1,165,838	972,484

### Management Mechanism

The Company has established collective **decision-making policies** for major issues. We keep refining our major issue catalogue and criteria to prevent risks in decision-making. We have continuously strengthened the inspection mechanisms, especially on key areas such as procurement biddings to look for loopholes in our management system and resolve them. Within the Group, we urge for honest operation, healthy development, good performance and shareholders' interest protection.

We keep on optimizing our management systems and business processes, regularly refining and updating our *Internal Control Manual and Matrix* annually to maintain the same frequency resonance with businesses procedures. With respect to **risk management**, we published several top-level internal control risk management methods such as *China Mobile Risk Management and Internal Control Management Measures*, *China Mobile Specific Risk Assessment Management Measures for Major Projects*, *China Mobile Major Operational Risk Event Reporting Management Measures*. Focusing on the overall operation objectives, we embedded the basic risk management processes and institutional systems in all aspects of the production and operations, striving to build an integrated, unified and coordinated risk management system. In 2025, we strengthened the quantitative monitoring of major operational risks, built a financial go-through supervision system and upgraded our digital risk monitoring capabilities so as to improve our risk control efficiency. Closely aligned with business development needs, we added 14 more internal control points and optimized over 100 internal control procedures to achieve the unified internal control standards across the Group.

## Corporate Governance Report

With respect to **compliance management**, we furthered our Compliance Escort Plan to improve our compliance management and organizations, by strengthening the compliance operating mechanisms to enhance the overall compliance risk control and build a solid compliance foundation for our high-quality development. We continued strengthening our compliance team and filled all required Chief Compliance Officer positions, and issued the guidelines for compliance administrators to perform their duties. Meanwhile, we kept on improving our compliance system in key areas such as marketing, cybersecurity, sci-tech innovation, supply chain, and updated the guidelines for anti-monopoly compliance. We continued to advance the integrated implementation of the compliance risk identification, assessment, and early-warning mechanism in synergy with the internal control framework. By accelerating our AI+ empowerment in our contract management, we furthered our smart legal capabilities and improved the quality and efficiency of compliance management. Moreover, we continued to carry out multi-level and multi-dimensional compliance training and cultural activities to embed compliance awareness into daily work.

### IV. INTERNAL AUDIT

The Internal Audit Department (the "IA Dept.") conducts independent and objective confirmation and provides consulting services in respect of the appropriateness, compliance and effectiveness of the Company's business activities, internal controls and risk management by applying systematic and standardized auditing procedures and methods. The IA Dept. also assists the Company in improving the effectiveness of corporate governance, risk management and internal controls, with an aim to promoting its corporate value, operations, and sustainable and healthy development as well as contributing to the achievement of its strategic objectives.

The Company and its operating subsidiaries have set up internal audit departments, which independently audit the business units of the Company and its operating subsidiaries. The head of the IA Dept. directly reports, four times a year, to the Audit Committee which, in turn, reports to the Board regularly. The Board and the Audit Committee give instructions with respect to internal auditing. The IA Dept. regularly reports to the senior management. The senior management ensures that adequate resources and level of authorization are allocated and granted for internal audit, and deploys and supervises follow-up and rectification in connection with issues identified in audit. The IA Dept. has unrestricted access to the relevant records of services, financial and assets, information system data and personnel in the course of performing their duties.

The IA Dept. establishes an internal audit scope and framework and carries out risk investigations on an annual basis. According to the results of the risk investigations, the IA Dept. formulates an annual audit plan and, together with the Audit Committee and the Board, reviews and approves the annual audit plan and resources allocation. The annual audit plan of the IA Dept. covers various areas including financial audit, internal controls audit, information systems audit and risk assessment. For financial audit, the IA Dept. reviews and assesses the truthfulness, accuracy, compliance and efficiency of the Company's financial activities and financial information as well as the management and utilization of the Company's capital and assets. For internal controls audit, the IA Dept. audits and assesses the effectiveness in the design and implementation of the Company's internal control system. According to the requirements under the Corporate Governance Code under the Hong Kong Listing Rules, the General Provisions on Annual Internal Control Evaluation Report from the CSRC, the Guideline No. 1 for Self-Discipline of Listed Companies – Standardized Operation from the SSE, the Basic Norms for Enterprise Internal Controls, the Guidelines for Evaluation of Enterprise Internal Controls and other relevant regulatory requirements of the mainland of China, the IA Dept. organizes and performs audit assessment on the internal control over financial and non-financial reporting of the Group, covering all material areas such as financial, operational and compliance controls, on an annual basis, to provide assurance for the Company's management in its issuance of the internal control assessment report. The information systems audit focuses on reviewing and assessing the information systems, information technology applications, information security and the related internal controls and procedures. At the same time, the IA Dept. carries on special projects and investigations in response to requests from the Company's management or the Audit Committee or if otherwise required. In addition, without prejudice to its independence, if requested by the Company's management and as required by business needs, the IA Dept. provides management advice or consultancy services by making use of audit resources and audit information to facilitate the Company's decision-making and operational management.

## Corporate Governance Report

The IA Dept. makes improvement recommendations in respect of its findings in the course of the audits and requests the management to undertake and to confirm the implementation plans, methods and timeline. It regularly monitors the status of the implementation of the recommendations to ensure their completion.

In 2025, in alignment with major national policies and the Company's strategic positioning, we carried out internal audit work and built our going-through audit supervision framework. By deepening our Seven-category Full-coverage audit organization model, we effectively supervised the compliance of national policies, laws and regulations, and internal management methods. We further strengthened our audit supervision in key areas such as cybersecurity, product operation, business quality, international business and network construction, and promoted the classified supervision mechanism for audit rectification, so as to enhance our accountability standards. We comprehensively advanced our AI+Audit into a new paradigm, and launched the audit industry's first large model Mingming and the professional project audit large model JianShenQianXun. Meanwhile, our China Mobile Intelligent Audit series of products continued to drive internal empowerment and also generated over RMB100 million in revenue from external users.

We report regularly to the Board and the Audit Committee with respect to the building up of our internal audit organization, its human resources and qualifications, staff training, annual audit plan and budget, and the audit results. In 2025, we focused our audit on the main findings of each audit project and their rectification. We provide specific guidance on audit focus, rectification advice, AI+Audit, team building and others to ensure the effectiveness of internal audit functions.

In 2026, adhering to the key points and deployment of our 15th Five-Year development plan, we will further the development of our going-through audit supervision. Focusing on core responsibilities and main businesses, we will intensify the going-through audit supervision in key areas such as sci-tech innovation, cybersecurity, traffic operation, computing network construction, operational results, international business and capital management. We will continue to deepen the risk identification and prevention mechanism based on AI+Audit and data-driven approaches, and strengthen early warning and prevention of material risks. Leveraging the role of auditing-to-governance, we will strengthen the governance defense line to ensure the Company's high-quality development and high-level security through high-quality auditing.

## Corporate Governance Report

### V. EXTERNAL AUDITORS

With the shareholders' approval at our 2025 AGM, KPMG and KPMG Huazhen LLP (collectively, "KPMG") are the external auditors of the Group for the year ending 31 December 2025 for financial reporting purposes. The principal services provided by KPMG in 2025 included:

- review of interim consolidated financial information of the Group;
- audit of annual consolidated financial statements of the Group and annual financial statements of its subsidiaries;
- audit of the effectiveness of the Group's internal control over financial reporting as of 31 December 2025; and
- other non-audit services, pre-approved by the Audit Committee.

The following table sets forth the types of, and fees for, the principal audit services and non-audit services provided by KPMG (please refer to note 7 to the consolidated financial statements for details):

	<b>2024</b>	<b>2025</b>
	<b>RMB million</b>	<b>RMB million</b>
Audit services fees <sup>1</sup>	86	<b>89</b>
Non-audit services fees <sup>2</sup>	2	<b>6</b>

<sup>1</sup> The item (excluding VAT) includes RMB16 million (2024: RMB16 million) as the fees rendered for the audit of internal control over financial reporting as required by relevant regulatory requirements.

<sup>2</sup> Including the fees for tax compliance services, advisory services and other assurance services.

## Corporate Governance Report

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the Group's risk management and internal control systems and for reviewing their effectiveness. Our Audit Committee under the Board conducts annual review of the effectiveness of the Group's risk management and internal control systems to reasonably ensure that the Company is operating legally and the assets are safeguarded and to ensure the accuracy and reliability of the financial information that the Company employs in its business or releases to the public. The said systems were designed to manage rather than eliminate the risk of failure to meet business objectives, and can only provide reasonable but not absolute assurances against material misstatement or losses. Our Audit Committee evaluated the effectiveness of the Group's risk management and internal controls for the year ended 31 December 2025, covering all important aspects including financial, operational and compliance controls, to ensure we have adequate resources, staff qualifications and experience, staff training programmes and budget for accounting, internal audit, financial reporting, and ESG performance and reporting. Based on such review, the Board considered the Group's risk management and internal control systems to be effective and adequate.

Our management is responsible for establishing and maintaining internal control over financial reporting. The management of the Company reports to Audit Committee at least twice a year about the building-up and performance of its risk management and internal controls, including interim and annual evaluation reports, and receives guidance and supervision from the Audit Committee. In compliance with the provisions and requirements under the Hong Kong Listing Rules, and Basic Norms for Enterprise Internal Controls, the Guidelines for Evaluation of Enterprise Internal Controls and other relevant regulatory requirements of the mainland of China, we established a stringent internal control system over financial reporting.

We established a hierarchical top-down risk assessment mechanism, relying on the strategic level risk assessment (material risk assessment), the management level risk assessment (major projects risk assessment) and the operational level risk assessment (procedure risk assessment), to assist the management to acknowledge risk information in a timely manner in order to make a reasonable decision. Based on risk assessment, we established a three-tier internal controls of "the top level internal control system, the internal control professional system and the internal control practices guidelines", which brought the control requirements to the whole process of marketing, production and management. Based on our business operation, we focus on high risk and key management areas and perform risk assessment, so as to enforce our internal control requirement in our daily operations. Meanwhile, we assigned specific responsibilities to individuals and input the control requirements in our IT systems to strengthen the internal controls. And through multiple internal and external supervision and inspections, including self-assessment, management evaluation, external audit, etc., we effectively improved the execution efficiency and effectiveness of our internal controls.

Based on daily and specific supervision of internal controls, we have conducted evaluation on the effectiveness of the internal controls of the Group as of 31 December 2025 (the reference date of the internal control evaluation report), and concluded that there were no significant deficiencies and material weaknesses in the internal controls over financial and non-financial reporting. The Board believes that our internal control over financial reporting was effective in all material aspects, in accordance with the requirements of the norms for enterprise internal controls and relevant regulations.

## Corporate Governance Report

### INFORMATION DISCLOSURE AND INSIDER DEALINGS

Information disclosure by the Company is made under the unified leadership and management of the Board, and performed by the management. The information disclosure internal controls and procedures prompt timely, compliant, truthful and complete disclosure of information, ensure good corporate governance and transparency, properly respond to investors, analysts and media inquiries, and prevent volatility of our share price caused by false market information.

To satisfy the relevant regulatory requirements in relation to our RMB Share Issue, the Board reviewed and approved the Administrative Measures for Information Disclosure and the Administrative Measures for Raised Funds, which had taken effect on 5 January 2022 and are available in Chinese on the websites of the Company, the HKEX and the SSE.

Under circumstances where any departments or officers are in breach of disclosure procedures and internal controls, resulting in reporting or disclosure errors, or in breach of disclosure related laws and regulations, the Company shall hold the relevant personnel accountable.

In compliance with the provisions of Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), the Securities Law of China, Administrative Measures for Information Disclosure of Listed Companies from the CSRC and other requirements, we formulated the Insider Information Registration Management Measures, setting up rules and black-out periods on directors, management and employees in dealing with the securities of the Company or exercising share options while they are in possession of inside information. Those who may come into possession of inside information in performing their duties are required to undertake their duty of confidentiality and prohibition against insider dealing. Unauthorized use of confidential or inside information for profits is strictly prohibited to prevent violation of laws and regulations and internal disciplines.

The Company attaches great importance to the management of inside information. In general, any authorized speaker from the Company only makes clarification and explanation on information already available in the market, and avoid revealing any unpublished inside information. Before any external interview, such speaker shall seek verification from the relevant department about any information to be disclosed.

### CONTINUOUS EVOLVEMENT OF CORPORATE GOVERNANCE PRACTICES

We will closely study the development of governance practices among the world's leading corporations, future evolution of the relevant regulatory environment and the requirements of the investors on an ongoing basis. We will also review and enhance our corporate governance procedures and practices from time to time to keep improving our capabilities in fulfilling our governance responsibilities, so as to meet our shareholders' expectations and ensure the long-term sustainable development of the Company.

# HUMAN RESOURCES DEVELOPMENT

**We focused on strengthening our core capabilities and building a high-calibre talent workforce.** First, we intensified our efforts to nurture top-tier talent and proactively integrated into the national strategic talent systems. We produced our first Academician of the “Two Academies” and have cumulatively nurtured more than 20 strategic leading talents. Second, we strengthened our talent pool with equal emphasis on scale and quality. The number of technical experts under our “10-10<sup>2</sup>-10<sup>3</sup>” program exceeded 7,000, with a notable increase in the proportion of senior experts and those in strategic priority areas. The number of newly recruited mature, high-end technical “Top Talents” and “Golden Seed Talent” doctoral graduates in key specialties has increased year by year. Third, we optimized mechanisms to better leverage talent capabilities. We formulated an artificial intelligence talent team development plan, strengthened safeguards to support chief technical experts at work, and introduced the innovative “Frontline Experts” talent deployment mechanism to unleash the synergistic effect of our talent pool.

**We further advanced workforce transformation to enhance the effectiveness of high-quality development.** First, we refined and optimised our workforce structure. Benchmarking ourselves against world-class standards, we stepped up efforts to recruit high-calibre talents with sci-tech backgrounds, with 3T personnel accounting for 90% of our new hires. Incremental resources were prioritised for technical roles, with nearly 80% of campus recruits allocated to technical positions. We also built a versatile workforce with both business and technical expertise, enabling our technical personnel to empower production. Second, we optimised workforce allocation with greater precision. Focusing on our principal businesses, we continued to strengthen various key teams through targeted resource allocation, reinforced our frontline sales and integrated delivery teams, and increased our government and enterprise workforce by more than 10,000 employees. Our R&D workforce exceeded 60,000, providing solid support for business innovation and development. Third, we pursued parallel improvements in human and digital productivity. We deepened the development of our digital-intelligent workforce, with the scale of digital-intelligent employees across the Group exceeding 80,000. These employees now cover 32,000 business scenarios, including network fault troubleshooting and customer complaint handling, and help reduce frontline workloads and boost efficiency.

**We deepened reforms of our incentive mechanisms and promoted the precise allocation of remuneration resources.** First, adhering to performance-oriented and market-based principles, we further implemented the labour cost “resources sharing model”, strengthening the linkage between total remuneration, performance outcomes and value creation. Second, focusing on our principal businesses, we stepped up the implementation of special incentive measures to solidify our growth momentum. On business development, we enhanced the integrated supply of special incentive resources. On sci-tech innovation, we systematically implemented high-level, differentiated and long-cycle sci-tech innovation incentive programmes to enhance reward incentives for sci-tech talents. Third, we established a science-driven income distribution framework, continuously increasing incentive support for key backbone personnel and frontline employees, substantively stimulating the vitality and motivation of cadres and staff at all levels.

**We systematically forged leadership excellence and coordinated the practical cultivation of talent in key areas.** First, we implemented full-coverage rotational training for senior executives and principal leaders of municipal and prefectural subsidiaries, organised advanced training programmes for young and middle-aged cadres, conducted joint learning initiatives focused on frontier sci-tech innovation, and introduced cross-sector learning programmes. We also placed emphasis on ideological and political development, broadened holistic and strategic thinking of our workforce, and systematically enhanced their work capabilities. Second, we innovatively established China Mobile’s distinctive “Jiutian · Bisheng” AI talent training and certification system. Through practical drills and R&D training, we strengthened our AI talent workforce. We also launched a series of “Empowerment” signature initiatives focusing on our key technical and business domains, including sci-tech innovation, marketing, business services, grid operations, and branding, to accelerate the transformation and upgrade of our talent capabilities.

# REPORT OF DIRECTORS

The directors take pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The Group's principal activity is providing communications services, computing services and AI services in 31 provinces, autonomous regions and directly-administered municipalities in the Chinese mainland and Hong Kong. The principal activity of the Company is investment holding.

The revenue of the Group during the financial year consisted primarily of revenue generated from communications services, computing services and AI services.

## MAJOR CUSTOMERS AND SUPPLIERS

The Group's aggregate revenue with its five largest customers was RMB34.7 billion, accounting for 3% of the Group's total revenue in 2025. None of the five largest customers is an "affiliated party" within the meaning of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the "SSE Listing Rules").

Purchases for the Group mainly included network equipment purchases, and payments in relation to network operation and support expenses and interconnection arrangements. Purchases from the largest supplier for the year represented 7% of the Group's total purchases. The Group's aggregate purchases with its five largest suppliers was RMB155.0 billion, accounting for 21% of the Group's total purchases in 2025. Out of the purchases with these five largest suppliers, purchases with affiliated parties within the meaning of the SSE Listing Rules were RMB39.8 billion, accounting for 6% of the Group's purchases in 2025.

Except as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" below, at no time during the year ended 31 December 2025 have the directors, their close associates or any shareholder of the Company (which to the knowledge of the Board owns more than 5% of the number of issued shares of the Company) had any interest in these five largest suppliers.

## SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Particulars of the Company's subsidiaries and the Group's investments accounted for using the equity method as at 31 December 2025 are set out in notes 20 and 21, respectively, to the consolidated financial statements, and the list of directors of each of the Company's subsidiaries is available on the Company's website.

## FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2025 and the financial position of the Company and the Group as at that date are set out in the consolidated financial statements on pages 79 to 165.

## Report of Directors

### DIVIDENDS

The Board has adopted a dividend policy. In recommending or declaring dividends, the Company shall allow its shareholders to participate in the Company's profits whilst to retain adequate cash reserves for meeting its working capital requirements and long-term sustainable development. The Board has the discretion to propose, declare and distribute dividends to the shareholders of the Company, subject to the Company's Articles of Association (the "Articles of Association") and all applicable laws and regulations and taking into account the following factors of the Company and its subsidiaries:

- the actual financial performance of the Group;
- the Group's business strategies and operations, including future capital requirements and investment needs;
- economic conditions and other internal or external factors that may have an impact on the business or financial performance and situation of the Group; and
- any other factors that the Board may consider relevant.

The Board recommends a final dividend payment of HK\$2.52 per share for the year ended 31 December 2025, together with the interim dividend already paid, total dividend for the full year of 2025 amounted to HK\$5.27 per share, up by 3.5% year-on-year, with a dividend payout ratio of 75% for the full year of 2025.

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

### DONATIONS

Donations made by the Group during the year amounted to RMB70,069,256 (2024: RMB69,936,425).

### PROPERTY, PLANT AND EQUIPMENT

Changes to the property, plant and equipment of the Group during the year ended 31 December 2025 are set out in note 15 to the consolidated financial statements.

### SHARE CAPITAL

Details of the Company's share capital are set out in note 39 to the consolidated financial statements.

## Report of Directors

### RESERVES

Changes to the reserves of the Group during the year are set out in the consolidated statement of changes in equity. Changes to the reserves of the Company during the year are set out in note 39 to the consolidated financial statements.

### DIRECTORS

The directors of the Company during the financial year were:

#### Executive Directors:

CHEN Zhongyue (*appointed on 22 December 2025*)

WANG Limin (*appointed on 8 January 2025*)

LI Ronghua

YANG Jie (*resigned on 22 December 2025*)

HE Biao (*resigned on 12 February 2026*)

LI Pizheng (*resigned on 8 January 2025*)

#### Independent Non-Executive Directors:

YIU Kin Wah Stephen

YANG Qiang

LEE Ka Sze Carmelo

LEUNG KO May Yee Margaret

Pursuant to Article 113 of the Articles of Association, Mr. CHEN Zhongyue will hold office until the forthcoming annual general meeting of the Company and, being eligible, offer himself for re-election. Besides, pursuant to Article 109 of the Articles of Association, Mr. LEE Ka Sze Carmelo and Mrs. LEUNG KO May Yee Margaret will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

The biographies of the directors proposed for re-election at the forthcoming annual general meeting (the "Directors for Re-election") are set out on pages 7 to 10 of this annual report. Except as disclosed in such biographies, the Directors for Re-election have not held any other directorships in any listed public companies in the last three years. Further, except as noted in the biographies, none of the Directors for Re-election is connected with any other directors, senior management or substantial or controlling shareholders of the Company. Except as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" below, none of the Directors for Re-election has any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO").

The service contracts of all the Directors for Re-election do not provide for a specified length of service, and each of the Directors for Re-election will be subject to retirement by rotation and re-election at annual general meetings of the Company every three years. Each of the Directors for Re-election is entitled to an annual director's fee of HK\$180,000 as proposed by the Board and approved by the shareholders of the Company. Director's fees are payable on a time pro-rata basis for any non-full year's service. The remuneration of the Directors for Re-election has been determined with reference to the individual's duties, responsibilities and experience, and to prevailing market conditions. Mr. CHEN Zhongyue has voluntarily waived his annual director's fee. Details of the remuneration of the directors of the Company are set out in note 11 to the consolidated financial statements.

## Report of Directors

None of the Directors for Re-election has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than under normal statutory obligations.

Save as disclosed herein, there are no other matters relating to the re-election of the Directors for Re-election that need to be brought to the attention of the shareholders of the Company nor is there any information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules").

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance to which the Company, any of its holding companies or subsidiaries, or any of its holding companies' subsidiaries has been a party and in which a director of the Company or an entity connected with a director of the Company is or was materially interested, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### PERMITTED INDEMNITY PROVISION

Pursuant to Article 175 of the Articles of Association, every director or other officer of the Company shall be indemnified out of the assets of the Company against all liabilities (to the extent permitted by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) sustained or incurred by such director or officer in or about the execution of his office or otherwise in relation thereto. In addition, the Company has purchased directors and officers' liabilities insurance on behalf of its directors and officers.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Details of the directors' holding of shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2025 are as follows:

#### Long Positions in the Shares of the Company

Director	Capacity	Number of ordinary shares held	Percentage of the total number of issued shares*
LEUNG KO May Yee Margaret	Beneficial owner	20,000	0.00%

\* The calculation is based on the total number of issued ordinary shares of the Company (i.e. 21,644,606,612 ordinary shares) as at 31 December 2025, and rounded off to two decimal places.

## Report of Directors

### Long Positions in the Shares of Associated Corporations

Associated corporation	Director	Capacity	Class of shares	Number of shares held	Percentage of the total number of issued shares*
China Tower Corporation Limited ("China Tower") <sup>^</sup>	LEE Ka Sze Carmelo	Beneficial owner	H shares	50,000	0.00%

\* The calculation is based on the total number of issued shares of China Tower (i.e. 17,600,847,102 shares) as at 31 December 2025, and rounded off to two decimal places.

<sup>^</sup> China Tower was one of the Group's five largest suppliers in 2025.

Apart from those disclosed herein, as at 31 December 2025, none of the directors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations that is recorded in the register required to be kept under section 352 of the SFO or any interests otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to 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.

### DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' RIGHTS TO ACQUIRE SHARES

Save as disclosed below, at no time during the year ended 31 December 2025 was the Company, any of its holding companies or subsidiaries, or any of its holding companies' subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### Share Option Scheme of the Company

Pursuant to a resolution passed at the annual general meeting of the Company held on 20 May 2020, a share option scheme of the Company (the "Scheme") was adopted. For details of the Scheme, please refer to the following paragraphs and also the Company's circular dated 14 April 2020 in relation to "Proposed Adoption of Share Option Scheme".

#### Purposes

The Scheme aims at (1) further improving the governance structure of the Company, and establishing and improving the balance of interests mechanism between employees and shareholders, investors and the Company; (2) establishing a benefit sharing and risk sharing mechanism among shareholders, the Company and employees to enhance the Company's performance and long-term stable development; and (3) effectively attracting, motivating and retaining the core backbone employees of the Company to support the Company's strategic transformation and long-term development.

## Report of Directors

### Scope of Scheme Participants

Scheme participants are in principle limited to directors (excluding independent non-executive directors) and senior management of the Company, and backbone management, technical and business personnel who have a direct impact on the Company's operating performance and sustainable development. The assessment results of the scheme participants shall meet or exceed the relevant standards for performance appraisal of the Company.

### Effective Period

The Scheme will be effective for a term of 10 years commencing from 20 May 2020, unless terminated in advance under relevant requirements of the Scheme.

### Maximum Quantity of Grant

The maximum number of ordinary shares to be issued upon the exercise of the share options granted under the Scheme (and any other schemes) shall not in aggregate exceed 2,047,548,289 shares (the "Scheme Mandate Limit"), being 10% of the total number of ordinary shares of the Company as at the date of approval of the Scheme or approximately 9.45% of the total number of ordinary shares of the Company as at the date of this annual report (being 26 March 2026).

Unless approved at a general meeting, the ordinary shares issued and to be issued upon the exercise of the share options granted to any individual scheme participant (including exercised or outstanding share options) during the effective period of the Scheme shall not exceed 1% of the total number of ordinary shares of the Company.

### Exercise Price

The exercise price of the share options shall be determined in accordance with the fair market price principle, with the base day for pricing being the grant date. The exercise price shall not be lower than the higher of:

- (i) the closing price of the ordinary shares of the Company on the grant date; and
- (ii) the average closing price of the ordinary shares of the Company on the five trading days prior to the grant date.

### Application or Acceptance Fee

No fee shall be payable by a scheme participant on the application for or acceptance of the grant of share options. As a formality, a scheme participant shall pay HK\$1.00 as nominal consideration for acceptance of the grant of share options.

### Lapse and Cancellation of Share Options

If any of certain events (including but not limited to a failure in performing his/her duties effectively or a serious breach or dereliction of his/her duties) occurs in relation to a scheme participant, his/her share options will automatically lapse, and the Board shall cease granting new share options, cancel share options which are not yet exercised by him/her, and recover any gains obtained by him/her from the exercise of the share options.

## Report of Directors

### Movement of Share Options During the Year

During the year ended 31 December 2025, the Company did not grant any share options under the Scheme.

The movement of share options under the Scheme during the year ended 31 December 2025 is set forth as follows:

Grantees	Number of ordinary shares underlying share options					Grant date	Exercise price HK\$
	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year	Lapsed and cancelled during the year	Outstanding as at 31 December 2025		
Employees of the Company	132,408,080	–	53,396,782	229,835	78,781,463	12 June 2020	55.00
	543,088,575	–	73,892,393	18,283,627	450,912,555	19 September 2022	51.60
Total	675,496,655	–	127,289,175	18,513,462	529,694,018		
	<b>As at 1 January 2025</b>				<b>As at 31 December 2025</b>		
Remaining Scheme Mandate Limit	1,214,455,961				1,232,969,423		

Note: Subject to the satisfaction of the conditions for vesting as provided under the Scheme, the share options granted shall be vested in three batches as follows:

- (i) the first batch (being 40% of the share options granted) will be vested on the first trading day after 24 months from the grant date;
- (ii) the second batch (being 30% of the share options granted) will be vested on the first trading day after 36 months from the grant date; and
- (iii) the third batch (being 30% of the share options granted) will be vested on the first trading day after 48 months from the grant date.

The exercise period begins upon vesting and ends on 10 years from the grant date.

Details of share options exercised during the year ended 31 December 2025 are set forth as follows:

Period during which share options were exercised	Exercise price HK\$	Weighted average closing price per share immediately before dates of exercise	Number of ordinary shares underlying share options exercised
		HK\$	
2 January 2025 to 31 December 2025	55.00	82.45	53,396,782
2 January 2025 to 31 December 2025	51.60	82.60	73,892,393

## Report of Directors

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The Company has been notified of the following interests in the Company's issued shares as at 31 December 2025 amounting to 5% or more of the ordinary shares in issue:

#### Long Positions in the Shares of the Company

	Number of ordinary shares held		Percentage of the total number of issued shares
	directly	indirectly	
(i) CMCC	385,652	14,890,116,842	68.80%
(ii) China Mobile (Hong Kong) Group Limited ("CMHK (Group)")	–	14,890,116,842	68.79%
(iii) China Mobile Hong Kong (BVI) Limited ("CMHK (BVI)")	14,890,116,842	–	68.79%

Note: As at 31 December 2025, CMCC held 385,652 RMB Shares and CMHK (BVI) held 14,890,116,842 Hong Kong Shares. In light of the fact that CMCC and CMHK (Group) directly or indirectly control one-third or more of the voting rights in the shareholders' meetings of CMHK (BVI), in accordance with the SFO, the interests of CMHK (BVI) are deemed to be, and have therefore been included in, the interests of CMCC and CMHK (Group). "Percentage of the total number of issued shares" is calculated based on the total number of issued ordinary shares of the Company (i.e. 21,644,606,612 ordinary shares) as at 31 December 2025, and rounded off to two decimal places.

Apart from the foregoing, as at 31 December 2025, no other person (other than a director or the chief executive of the Company) had any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange.

## Report of Directors

### CONNECTED OR AFFILIATED TRANSACTIONS

#### Continuing Connected Transactions

Details of related party transactions entered into by the Group for the year ended 31 December 2025 are set out in note 41 to the consolidated financial statements. The majority of these transactions also constitute continuing connected transactions as defined under Chapter 14A of the Hong Kong Listing Rules.

For the year ended 31 December 2025, the following continuing connected transactions (the "Continuing Connected Transactions") have not exceeded their respective annual caps:

- (1) the services charges received by the Group for the provision of telecommunication facilities construction services to CMCC and its subsidiaries were RMB1,662 million, which did not exceed the annual cap of RMB2,800 million. The provision of telecommunication facilities construction services by the Group to CMCC and its subsidiaries in respect of individual projects was subject to public tender process, and the pricing for the telecommunication facilities construction services was primarily based on market rates as determined through the public tender process, and complied with applicable laws and regulations. For individual projects not subject to the public tender process, selection criteria and pricing mechanism similar to those in a public tender process were applied;
- (2) the addition of right-of-use assets and interest expenses on lease liabilities recognized by the Group as lessee pursuant to the lease of properties from CMCC and its subsidiaries were RMB625 million, which did not exceed the annual cap of RMB3,500 million, and the rent received by the Group from CMCC and its subsidiaries was below 0.1% of each of the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules. The rent was determined with reference to market rates and value as determined by independent intermediaries at the time when the transactions were conducted. In respect of a third-party property, the lessee party paid the lessor party the actual rent paid by the lessor party to the third party plus tax imposed by the state;
- (3) the addition of right-of-use assets and interest expenses on lease liabilities recognized by the Group as lessee pursuant to the lease of machinery rooms and transmission pipelines from CMCC and its subsidiaries were RMB10,941 million, which did not exceed the annual cap of RMB15,200 million, and the rent received by the Group from CMCC and its subsidiaries was below 0.1% of each of the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules. The rent was determined with reference to prevailing market rates and was no higher than the standard rent charged by the lessor party from any third party for the same kinds of assets but no lower than the cost of the lessor party in leasing out the same kinds of assets;

## Report of Directors

- (4) the leasing fees paid by the Group to CMCC and its subsidiaries for the lease of power support and other network assets and resources were RMB9,213 million, which did not exceed the annual cap of RMB11,500 million, and the leasing fees received by the Group from CMCC and its subsidiaries were below 0.1% of each of the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules. The leasing fees were determined with reference to prevailing market rates and were no higher than the standard leasing fees charged by the lessor party from any third party for the same kinds of assets and resources but no lower than the cost of the lessor party in leasing out the same kinds of assets and resources; and
- (5) the transaction amount for the sale of products and provision of services by the Group to CMCC and its subsidiaries was RMB2,474 million, which did not exceed the annual cap of RMB4,700 million, and the transaction amount for the sale of products and provision of services by CMCC and its subsidiaries to the Group was RMB1,271 million, which did not exceed the annual cap of RMB2,900 million. Of which, the transaction amount for the sale of products and provision of services by the Group to Venustech Group Inc. ("Venustech") and its subsidiaries was RMB26 million, which did not exceed the annual cap of RMB200 million, and the transaction amount for the sale of products and provision of services by Venustech and its subsidiaries to the Group was RMB637 million, which did not exceed the annual cap of RMB1,900 million. Pricing for these transactions was determined in accordance with prevailing market rates and did not deviate from fair market standards offered by independent third parties. In determining the market rates, consideration was given to levels of fees paid to and received from independent third parties by the parties in respect of the same kinds of products or services.

The transactions referred to in paragraph (1) above were entered into pursuant to the 2025 telecommunication facilities construction services agreement dated 8 January 2025 between the Company and CMCC (the "2025 Telecommunication Facilities Construction Services Agreement"). The entering into of the 2025 Telecommunication Facilities Construction Services Agreement was announced by the Company on 8 January 2025. The 2025 Telecommunication Facilities Construction Services Agreement had a term of one year, expiring on 31 December 2025.

The transactions referred to in paragraph (2) above were entered into pursuant to the 2025-2027 property leasing agreement dated 8 January 2025 between the Company and CMCC (the "2025-2027 Property Leasing Agreement"). The entering into of the 2025-2027 Property Leasing Agreement was announced by the Company on 8 January 2025. The 2025-2027 Property Leasing Agreement had a term of three years, expiring on 31 December 2027.

The transactions referred to in paragraph (3) above were entered into pursuant to the 2025-2027 machinery rooms and transmission pipelines leasing agreement dated 8 January 2025 between the Company and CMCC (the "2025-2027 Machinery Rooms and Transmission Pipelines Leasing Agreement"). The entering into of the 2025-2027 Machinery Rooms and Transmission Pipelines Leasing Agreement was announced by the Company on 8 January 2025. The 2025-2027 Machinery Rooms and Transmission Pipelines Leasing Agreement had a term of three years, expiring on 31 December 2027.

## Report of Directors

The transactions referred to in paragraph (4) above were entered into pursuant to the 2025 power support and other network assets and resources leasing agreement dated 8 January 2025 between the Company and CMCC (the “2025 Power Support and Other Network Assets and Resources Leasing Agreement”). The entering into of the 2025 Power Support and Other Network Assets and Resources Leasing Agreement was announced by the Company on 8 January 2025. The 2025 Power Support and Other Network Assets and Resources Leasing Agreement had a term of one year, expiring on 31 December 2025.

The transactions referred to in paragraph (5) above were entered into pursuant to the 2025 telecommunications and information services agreement dated 8 January 2025 between the Company and CMCC (the “2025 Telecommunications and Information Services Agreement”). The entering into of the 2025 Telecommunications and Information Services Agreement was announced by the Company on 8 January 2025. The 2025 Telecommunications and Information Services Agreement had a term of one year, expiring on 31 December 2025.

CMCC is the ultimate controlling shareholder of the Company and Venustech is a subsidiary of CMCC. Therefore, CMCC and Venustech are connected persons of the Company. Accordingly, the transactions referred to in paragraphs (1) to (5) above constitute continuing connected transactions for the Company under the Hong Kong Listing Rules.

In the opinion of the independent non-executive directors of the Company, the Continuing Connected Transactions were entered into by the Group:

- (i) in the ordinary and usual course of its business;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreements governing such transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## Report of Directors

The auditors of the Company were engaged to report on the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued their unqualified letter containing their findings and conclusions in respect of the Continuing Connected Transactions in accordance with Rule 14A.56 of the Hong Kong Listing Rules. The auditors' letter has confirmed that nothing has come to their attention that causes them to believe that the Continuing Connected Transactions:

- (A) have not been approved by the Board;
- (B) were not, in all material respects, in accordance with the pricing policies of the Group as stated in this annual report;
- (C) were not entered into, in all material respects, in accordance with the relevant agreements governing the Continuing Connected Transactions; and
- (D) have exceeded their respective annual caps for the year ended 31 December 2025 set out in the previous announcements of the Company.

In respect of the Continuing Connected Transactions, the Company has complied with the disclosure requirements under the Hong Kong Listing Rules in force from time to time, and has followed the policies and guidelines as laid down in the guidance letter HKEX-GL73-14 issued by the Hong Kong Stock Exchange when determining the price and terms of the transactions conducted during the year ended 31 December 2025.

### Other Material Affiliated Transactions

Apart from the continuing connected transactions with CMCC set out above, there were other transactions between the Company on the one hand and CMCC and China Tower on the other hand that constituted material affiliated transactions under laws and regulations of the Chinese mainland. Details of such affiliated transactions are set out in the section headed "Material Affiliated Transactions" under "Other Important Matters" in the Company's annual report published on the SSE.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## FINANCIAL SUMMARY

A summary of the results and of the statements of the assets and liabilities of the Group for the last five financial years is set out on pages 166 to 168 of this annual report.

## Report of Directors

### EMOLUMENT POLICY

In order to continue to maintain the sustainable development of the Group's competitiveness, the Group has always emphasized the importance of recruiting, incentivizing, developing and retaining its employees, paid close attention to the external competitiveness, internal fairness of its remuneration structure and the cost-effectiveness of remuneration and emphasized the importance of the correlation between remuneration management and performance management. For the year ended 31 December 2025, employees' remuneration comprised a basic salary and a performance-based bonus, as well as medium- to long-term incentives.

### EMPLOYEE RETIREMENT BENEFITS

Particulars of the employee retirement benefits of the Group are set out in note 6 to the consolidated financial statements.

### PUBLIC FLOAT

As at the date of this annual report and based on the information that is publicly available to the Company and to the knowledge of the directors of the Company, the Company has maintained the public float prescribed under the Hong Kong Listing Rules.

### AUDITORS

A resolution will be proposed at the forthcoming annual general meeting for the re-appointment of KPMG and KPMG Huazhen LLP as the auditors of the Group.

### LIST OF DIRECTORS OF SUBSIDIARIES

A list of directors of the Group's subsidiaries is set out on the Company's website.

Please also refer to the sections headed "Chairman's Statement", "Business Review", "Financial Review" and "Human Resources Development" in this annual report (which form part of this Report of Directors).

By order of the Board

**Chen Zhongyue**

*Chairman*

Hong Kong, 26 March 2026

## INDEPENDENT AUDITOR'S REPORT



**Independent auditor's report  
to the members of China Mobile Limited**  
*(incorporated in Hong Kong with limited liability)*

### OPINION

We have audited the consolidated financial statements of China Mobile Limited ("the Company") and its subsidiaries ("the Group") set out on pages 79 to 165, which comprise the consolidated balance sheet as at 31 December 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and HKFRS Accounting Standards ("HKFRSs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independent Auditor's Report

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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#### Revenue recognition

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Refer to note 2(s) and note 4 of the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>The Group's revenue is primarily generated from the provision of various telecommunications services and sales of telecommunication related products.</p> <p>The accuracy of revenue from telecommunication services ("service revenue") recorded in the consolidated financial statements is an inherent industry risk because the billing systems of telecommunications companies are complex which process large volumes of data with a combination of different services provided.</p> <p>We identified service revenue recognition as a key audit matter because service revenue is one of the key performance indicators of the Group and involves complex IT systems which give rise to an inherent risk that service revenue transactions may be incorrectly recorded using manual journals outside the billing systems or recorded in the incorrect period.</p>	<p>Our audit procedures to assess the recognition of service revenue included the following:</p> <ul style="list-style-type: none"> <li>• assessing, with the assistance of our IT specialists, the design, implementation and operating effectiveness of management's key internal controls over:               <ul style="list-style-type: none"> <li>– the general IT controls for the billing systems, including access to program controls, program change controls, program development controls and computer operation controls;</li> <li>– the completeness and accuracy of bill generation and the end-to-end reconciliation controls from the billing systems to the accounting system;</li> </ul> </li> <li>• assessing the appropriateness of the accounting policies adopted in service revenue recognition for different revenue streams by inspecting the main terms and conditions in selected contracts;</li> <li>• selecting service packages, on a sample basis, comparing services offering in the selected packages and the package prices with the relevant settings in the billing systems;</li> <li>• selecting bills issued to customers, on a sample basis, and comparing to services subscribed by the customers/ relevant underlying documents on services rendered to the customers, and corresponding accounts receivable details and collection records, where appropriate, in the billing systems;</li> <li>• reconciling selected service revenue records in the Group's accounting system to external cash collection records;</li> <li>• recalculating the balances of accounts receivable and advances from customers at period end with the use of computer assisted audit techniques using data extracted from the billing systems and reconciling the results to the Group's financial records; and</li> <li>• inspecting journals entries relating to revenue which met specific risk-based criteria, and comparing details of these journals entries with relevant underlying documentation.</li> </ul>

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## Independent Auditor's Report

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### Impairment assessment on the interest in an associate

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*Refer to note 2(d), note 2(k) and note 21 of the consolidated financial statements.*

The Key Audit Matter	How the matter was addressed in our audit
<p>The fair value of the Group's investment in Shanghai Pudong Development Bank Co., Ltd. ("SPD Bank") based on quoted market price has been persistently below the carrying amount for a period of time. This is considered as an indicator of impairment.</p> <p>In accordance with IAS/HKAS 36 "Impairment of Assets", where an indication of impairment of these assets exists, the Group will estimate the recoverable amounts of the relevant assets, based on the higher of its fair value less costs of disposal and its value in use. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.</p> <p>As at 31 December 2025, an impairment assessment for the investment in SPD Bank was performed by the Group, with the assistance of an independent external valuer appointed by the management, to determine the recoverable amount based on its value in use by discounted cash flow forecast, which involves management's significant judgements and estimates on certain key assumptions. Based on the result of the assessment, management determined that there was no impairment loss in this investment.</p> <p>We identified the impairment assessment of the Group's investment in SPD Bank as a key audit matter because there were significant judgements and estimates made by management in determining the discounted cash flow forecast.</p>	<p>Our audit procedures to assess the impairment assessment of the Group's investment in SPD Bank included the following:</p> <ul style="list-style-type: none"> <li>• assessing the design, implementation and operating effectiveness of key internal controls relating to the impairment assessment of the Group's investment in SPD Bank;</li> <li>• evaluating the competence, capabilities and objectivity of the external valuer appointed by the management;</li> <li>• evaluating the reasonableness of key assumptions adopted in the preparation of the discounted cash flow forecast with reference to our understanding of the industry, historical performance and available market data relating to SPD Bank. Our valuation specialists were also assisting to evaluate the appropriateness of the methodology and discount rate adopted by management in the discounted cash flow forecast;</li> <li>• comparing the key assumptions used in prior year's discounted cash flow forecast with the current year's actual performance to consider if there was any indication of management bias;</li> <li>• evaluating the sensitivity analyses prepared by management for the key assumptions adopted in the discounted cash flow forecast and considering if there is any indication of management bias; and</li> <li>• assessing the reasonableness of the disclosures in the consolidated financial statements in respect of the impairment assessment of the Group's investment in SPD Bank with reference to the requirements of the prevailing accounting standards.</li> </ul>

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## Independent Auditor's Report

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## Independent Auditor's Report

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Independent Auditor's Report

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Kim Tak (practising certificate number: P03987).

### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

26 March 2026

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025 (Expressed in Renminbi (“RMB”))

	Note	2025 Million	2024 Million
<b>Operating revenue</b>	4		
Revenue from principal businesses		895,530	889,468
Revenue from other businesses		154,657	151,291
		<b>1,050,187</b>	1,040,759
<b>Operating expenses</b>			
Network operation and support expenses	5	285,698	283,341
Depreciation and amortisation		189,999	191,101
Employee benefit and related expenses	6	154,104	151,944
Selling expenses		56,184	54,564
Cost of products sold		152,992	149,240
Other operating expenses	7	62,278	67,979
		<b>901,255</b>	898,169
<b>Profit from operations</b>		<b>148,932</b>	142,590
<b>Other (losses)/gains</b>	8	(426)	4,970
<b>Interest and other income</b>	9	18,303	23,005
<b>Finance costs</b>	10	(3,657)	(3,273)
<b>Income from investments accounted for using the equity method</b>		<b>12,456</b>	11,097
<b>Profit before taxation</b>		<b>175,608</b>	178,389
<b>Taxation</b>	13(a)	(38,344)	(39,863)
<b>PROFIT FOR THE YEAR</b>		<b>137,264</b>	138,526
<b>Other comprehensive income for the year, net of tax:</b>			
<b>Items that will not be subsequently reclassified to profit or loss</b>			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		787	45
Remeasurement of defined benefit liabilities	6	227	(889)
Share of other comprehensive income of investments accounted for using the equity method		55	161
<b>Items that may be subsequently reclassified to profit or loss</b>			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		(262)	506
Currency translation differences		(1,238)	892
Share of other comprehensive (loss)/income of investments accounted for using the equity method		(1,356)	1,823
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>135,477</b>	141,064

## Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025 (Expressed in RMB)

	Note	2025 Million	2024 Million
<b>Profit attributable to:</b>			
Equity shareholders of the Company		137,095	138,373
Non-controlling interests		169	153
<b>PROFIT FOR THE YEAR</b>		<b>137,264</b>	138,526
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		135,347	140,866
Non-controlling interests		130	198
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>135,477</b>	141,064
<b>Earnings per share – Basic</b>	14(a)	<b>RMB6.35</b>	RMB6.45
<b>Earnings per share – Diluted</b>	14(b)	<b>RMB6.30</b>	RMB6.42

The notes on pages 87 to 165 are an integral part of these consolidated financial statements.

## CONSOLIDATED BALANCE SHEET

as at 31 December 2025 (Expressed in RMB)

	Note	As at 31 December 2025 Million	As at 31 December 2024 Million
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	707,116	714,494
Construction in progress	16	61,845	74,271
Right-of-use assets	17(a)	77,662	80,625
Land use rights	17(b)	14,006	14,440
Goodwill	18	39,264	35,301
Development expenditure		3,610	2,157
Other intangible assets	19	45,742	36,364
Investments accounted for using the equity method	21	214,353	198,563
Deferred tax assets	22	52,097	50,755
Financial assets measured at fair value through other comprehensive income	23	32,388	13,928
Financial assets measured at fair value through profit or loss	23	254,897	209,422
Other financial assets measured at amortised cost	24	7,040	7,331
Bank deposits	25	61,685	54,413
Other non-current assets	26	58,831	47,504
		<b>1,630,536</b>	<b>1,539,568</b>
<b>Current assets</b>			
Inventories	27	16,613	11,229
Contract assets	28	20,178	20,665
Accounts receivable	29	99,762	75,741
Other receivables		15,887	16,511
Bills receivable		1,177	1,103
Prepayments		7,755	8,315
Prepaid income tax		381	259
Other non-financial assets	30	24,135	27,961
Financial assets measured at fair value through other comprehensive income	23	690	–
Financial assets measured at fair value through profit or loss	23	134,550	153,194
Other financial assets measured at amortised cost	24	5,424	11,306
Bank deposits	25	73,827	74,966
Cash and cash equivalents	31	97,267	167,309
		<b>497,646</b>	<b>568,559</b>
<b>Total assets</b>		<b>2,128,182</b>	<b>2,108,127</b>

## Consolidated Balance Sheet

as at 31 December 2025 (Expressed in RMB)

	Note	As at 31 December 2025 Million	As at 31 December 2024 Million
<b>Equity and liabilities</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	33	334,099	354,341
Bills payable		17,202	40,843
Contract liabilities	34	49,615	54,964
Receipts in advance	35	83,206	79,920
Other payables	36	74,299	53,397
Income tax payable		12,632	17,041
Lease liabilities	17(c)	42,507	32,512
		<b>613,560</b>	633,018
<b>Non-current liabilities</b>			
Bank and other borrowings	32	9,748	–
Lease liabilities	17(c)	48,942	55,930
Deferred revenue	37	9,144	9,274
Defined benefit plan and other employee benefit liabilities		6,643	7,006
Deferred tax liabilities	22	4,881	3,877
Other non-current liabilities		2,413	2,483
		<b>81,771</b>	78,570
<b>Total liabilities</b>		<b>695,331</b>	711,588
<b>Equity</b>			
Share capital	39(a)	468,445	461,838
Reserves		960,030	930,194
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,428,475</b>	1,392,032
<b>Non-controlling interests</b>		<b>4,376</b>	4,507
<b>Total equity</b>		<b>1,432,851</b>	1,396,539
<b>Total equity and liabilities</b>		<b>2,128,182</b>	2,108,127

The consolidated financial statements on pages 79 to 165 were approved by the Board of Directors on 26 March 2026 and were signed on its behalf.

### Chen Zhongyue

Name of Director

### Li Ronghua

Name of Director

The notes on pages 87 to 165 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025 (Expressed in RMB)

	Attributable to equity shareholders of the Company							Non-controlling interests Million	Total equity Million
	Share capital Million	Capital reserve Million	Exchange reserve Million	PRC Statutory reserves Million	Other reserves Million	Retained profits Million	Total Million		
<b>As at 1 January 2024</b>	455,001	(263,336)	2,068	367,535	3,303	777,161	1,341,732	4,253	1,345,985
<b>Changes in equity for 2024:</b>									
Profit for the year	-	-	-	-	-	138,373	138,373	153	138,526
Changes in the fair value of financial assets measured at fair value through other comprehensive income	-	-	-	-	506	-	506	45	551
Remeasurement of defined benefit liabilities (note 6)	-	-	-	-	(889)	-	(889)	-	(889)
Currency translation differences	-	-	892	-	-	-	892	-	892
Share of other comprehensive income of investments accounted for using the equity method	-	-	-	-	1,984	-	1,984	-	1,984
Total comprehensive income for the year	-	-	892	-	1,601	138,373	140,866	198	141,064
Dividends approved in respect of previous year (note 39(b)(ii))	-	-	-	-	-	(46,924)	(46,924)	(48)	(46,972)
Dividends declared in respect of current year (note 39(b)(i))	-	-	-	-	-	(50,534)	(50,534)	-	(50,534)
Purchase of own shares (note 39(a)(iii))	-	-	-	-	-	(188)	(188)	-	(188)
Transfer to PRC statutory reserves (note 39(d)(iii))	-	-	-	13,266	-	(13,266)	-	-	-
Exercise of share options (note 39(a)(i))	6,837	(445)	-	-	-	-	6,392	-	6,392
Share option scheme									
- Value of share options (note 38)	-	489	-	-	-	-	489	-	489
Changes in the share of other reserves of investments accounted for using the equity method	-	48	-	-	-	-	48	-	48
Others	-	145	-	-	(46)	52	151	104	255
<b>As at 31 December 2024</b>	461,838	(263,099)	2,960	380,801	4,858	804,674	1,392,032	4,507	1,396,539
<b>As at 1 January 2025</b>	461,838	(263,099)	2,960	380,801	4,858	804,674	1,392,032	4,507	1,396,539
<b>Changes in equity for 2025:</b>									
Profit for the year	-	-	-	-	-	137,095	137,095	169	137,264
Changes in the fair value of financial assets measured at fair value through other comprehensive income	-	-	-	-	564	-	564	(39)	525
Remeasurement of defined benefit liabilities (note 6)	-	-	-	-	227	-	227	-	227
Currency translation differences	-	-	(1,238)	-	-	-	(1,238)	-	(1,238)
Share of other comprehensive loss of investments accounted for using the equity method	-	-	-	-	(1,301)	-	(1,301)	-	(1,301)
Total comprehensive income for the year	-	-	(1,238)	-	(510)	137,095	135,347	130	135,477
Dividends approved in respect of previous year (note 39(b)(ii))	-	-	-	-	-	(49,144)	(49,144)	-	(49,144)
Dividends declared in respect of current year (note 39(b)(i))	-	-	-	-	-	(54,266)	(54,266)	(92)	(54,358)
Transfer to PRC statutory reserves (note 39(d)(iii))	-	-	-	782	-	(782)	-	-	-
Exercise of share options (note 39(a)(i))	6,607	(410)	-	-	-	-	6,197	-	6,197
Share option scheme									
- Value of share options (note 38)	-	200	-	-	-	-	200	-	200
Share of changes in other reserves of investees and other changes when applying the equity method	-	(545)	-	-	-	-	(545)	-	(545)
Others	-	(1,365)	-	-	11	8	(1,346)	(169)	(1,515)
<b>As at 31 December 2025</b>	468,445	(265,219)	1,722	381,583	4,359	837,585	1,428,475	4,376	1,432,851

The notes on pages 87 to 165 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025 (Expressed in RMB)

	Note	2025 Million	2024 Million
<b>Operating activities</b>			
Profit before taxation		175,608	178,389
Adjustments for:			
– Depreciation and amortisation		189,999	191,101
– Net loss on disposal and write-off of property, plant and equipment and other intangible assets	7	80	419
– Expected credit impairment losses	7	8,623	14,509
– (Reversals)/recognition of impairment losses of contract assets	7	(48)	302
– Write-down of inventories	7	196	217
– Interest and other income	9	(18,303)	(23,005)
– Finance costs	10	3,657	3,273
– Income from investments accounted for using the equity method		(12,456)	(11,097)
– Net exchange loss/(gain)		211	(204)
– Share options expenses		200	489
<b>Operating cash flows before changes in working capital</b>		<b>347,767</b>	354,393
(Increase)/decrease in inventories		(5,477)	580
Increase in contract assets		(410)	(1,793)
(Increase)/decrease in contract costs		(8,644)	525
Increase in accounts receivable		(31,412)	(34,224)
Decrease/(increase) in other receivables		167	(4,867)
(Increase)/decrease in bills receivable		(74)	102
Decrease/(increase) in prepayments		907	(799)
Decrease/(increase) in other non-financial assets		3,826	(4,853)
(Decrease)/increase in accounts payable and accrued expenses		(5,302)	47,942
(Decrease)/increase in bills payable		(17,633)	11,282
Decrease in contract liabilities		(5,742)	(11,229)
Increase in receipts in advance		3,208	885
Decrease in deferred revenue		(130)	(7)
Decrease in other payables		(285)	(296)
Others		(3,368)	(791)
<b>Cash generated from operations</b>		<b>277,398</b>	356,850
Tax paid			
– The Chinese mainland and other countries and regions' enterprise income tax paid		(43,805)	(40,409)
– Hong Kong profits tax paid		(674)	(700)
<b>Net cash generated from operating activities</b>		<b>232,919</b>	315,741

## Consolidated Statement of Cash Flows

for the year ended 31 December 2025 (Expressed in RMB)

	2025 Million	2024 Million
<b>Investing activities</b>		
Payment for property, plant and equipment, other intangible assets and non-current assets	(156,951)	(155,979)
Proceeds from disposal and write-off of property, plant and equipment and non-current assets	760	963
Placement of term deposits	(95,221)	(69,190)
Proceeds from withdrawal of term deposits	90,317	34,497
Increase in the statutory deposit reserves by China Mobile Finance	(1,219)	(916)
Payment for the purchase of other financial assets measured at amortised cost	(54,736)	(39,171)
Proceeds from disposal of other financial assets measured at amortised cost	60,976	58,389
Interest and other finance income received	8,199	7,501
Proceeds from partial disposal of investments accounted for using the equity method	121	49
Payment for the purchase of investments accounted for using the equity method	(439)	(8,836)
Dividends received from investments accounted for using the equity method	4,960	4,906
Purchase of financial assets measured at fair value through profit or loss	(65,583)	(69,500)
Proceeds from disposal of financial assets measured at fair value through profit or loss	39,817	61,741
Payment for the purchase of financial assets at fair value through other comprehensive income	(19,565)	(11,428)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	990	1,780
Acquisition of subsidiaries, net of cash acquired	(2,829)	–
<b>Net cash used in investing activities</b>	<b>(190,403)</b>	<b>(185,194)</b>

## Consolidated Statement of Cash Flows

for the year ended 31 December 2025 (Expressed in RMB)

	Note	2025 Million	2024 Million
<b>Financing activities</b>			
Proceeds received from exercise of share options		6,618	5,975
Dividends paid to the Company's equity shareholders		(103,410)	(97,458)
Dividends paid to non-controlling shareholders of subsidiaries		(43)	(33)
Net receipts of short-term deposits placed by CMCC Group	31(b)	21,115	15,472
Interest paid	31(b)	(749)	(80)
Repayment of principal and interest of lease liabilities	31(b)	(33,798)	(29,037)
Payment for purchase of own shares	39(a)	–	(188)
Repayment of bank and other borrowings	31(b)	(10,251)	–
Proceeds received from bank and other borrowings	31(b)	9,848	–
Acquisition of non-controlling interests		(1,588)	–
Others		115	182
<b>Net cash used in financing activities</b>		<b>(112,143)</b>	<b>(105,167)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(69,627)</b>	<b>25,380</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>167,309</b>	<b>141,559</b>
<b>Effect of changes in foreign exchange rate</b>		<b>(415)</b>	<b>370</b>
<b>Cash and cash equivalents at end of year</b>	31(a)	<b>97,267</b>	<b>167,309</b>

The notes on pages 87 to 165 are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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 businesses of the Company and its subsidiaries (together referred to as the “Group”) are the provision of communications services, computing services and AI services in the Chinese mainland and in Hong Kong (for the purpose of preparing the consolidated financial statements, the Chinese mainland 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 Chinese mainland). The address of the Company’s registered office is 60th Floor, The Center, 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 and listed on the Shanghai Stock Exchange (the “SHEX”) since 5 January 2022, respectively.

## 2 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the IASB. HKFRS Accounting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), are consistent with IFRSs that relates to the Group’s financial statements. These financial statements also comply with HKFRSs, the requirements of Hong Kong Companies Ordinance Cap. 622 (“HKCO”), and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKEX (the “Listing Rules”). A summary of the material accounting policies adopted by the Group is set out below.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (b) Basis of preparation

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis, as modified by the revaluation of certain financial instruments measured at fair value.

All of the new or amended standards that effective for the year beginning on 1 January 2025 have been applied for the first time by the Group. The details of adopting these amended standards are disclosed in note 3.

The preparation of financial statements in conformity with IFRSs and HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by the Management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs and HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are disclosed in note 45.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (c) Subsidiaries and non-controlling interests

##### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised gains arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries would be changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling shareholders' interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (c) Subsidiaries and non-controlling interests (Continued)

##### (ii) Separate financial statements

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)). The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

##### (iii) Business combination other than under common control

The Group applies the acquisition method to account for combination of entities and businesses which are not under common control. The consideration transferred for the acquisition of a subsidiary includes the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, the equity interests issued by the Group and the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

##### (iv) Business combination under common control

Under IFRSs and HKFRSs, the Group uses merger accounting to account for the combination of entities and businesses under common control in accordance with the Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The assets and liabilities of the combining entities or businesses are combined using the carrying book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the consideration at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination. Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which they were incurred.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (d) Investments in associates and joint arrangements

An associate is an entity, not being a subsidiary, in which the Group exercises significant influence, but not control or joint control, over its management. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

The Group has applied IFRS/HKFRS 11 to all joint arrangements. Under IFRS/HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. A joint operation is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its assets, liabilities, revenue and expenses, and its share thereof, in relation to its interests in the joint operation. A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

#### Investments accounted for using the equity method

The Group accounted for its investment in associates and joint ventures using the equity method.

Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's net identifiable assets over the cost of the investment after reassessment (if applicable). Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(k)). The Group's share of the post-acquisition post-tax results of the investee for the year is recognised as income from investments accounted for using the equity method in the consolidated statement of comprehensive income, whereas the Group's share of the post-acquisition post-tax items of the investee's other comprehensive income is recognised as its share of other comprehensive income in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associates or joint ventures, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest in the investee is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associates or joint ventures.

Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss. Accounting policies of associates and joint ventures would be changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

Gain or loss on dilution of equity interest in associates and joint ventures are recognised in profit or loss.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (e) Goodwill

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising in a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)). Each unit or groups of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose. Goodwill is monitored at the operating segment level.

On disposal of a cash-generating unit, any attributable amount of purchased goodwill is included in the calculation of the gain or loss on disposal.

#### (f) Research and development expenditure

Research and development expenditure is classified into expenditure during the research phase and expenditure during the development phase. Expenditure during research activities is recognised in profit or loss as incurred. Expenditure during development activities is capitalised when capitalisation criteria are fulfilled and recorded as "development expenditure", otherwise it is recognised in profit or loss as incurred.

#### (g) Other intangible assets

Other intangible assets include assets such as software, operating license, trademarks and copyrights that are acquired or transferred upon completion of development or installation (see notes 2(f) and 2(i)). They are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(k)). Amortisation of intangible assets with finite useful lives is recorded in depreciation and amortisation on a straight-line basis over the shorter of the assets' estimated useful lives or their contractual period, from the date they are available for use. Both the useful lives and method of amortisation of other intangible assets are reviewed at least annually by the Group.

The estimated useful lives of other intangible assets are as follows:

	Estimated useful lives
Software	2–5 years
Others	2–20 years

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (h) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 2(k)).

The cost of property, plant and equipment comprises the purchase price and any directly attributable costs of bringing the asset to its working location and condition for its intended use. Subsequent costs are recognised in the carrying amount of an item of property, plant and equipment, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the related assets and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

	Estimated useful lives	Estimated residual value rate
Buildings	8–30 years	3%
Telecommunications transceivers, switching centers, transmission and other network equipment	5–10 years	0-3%
Office equipment, furniture, fixtures and others	3–10 years	3%

Both the assets' useful lives and residual values are reviewed at least annually by the Group.

#### (i) Construction in progress

Construction in progress is stated at cost less impairment losses (see note 2(k)). Cost comprises direct costs of construction as well as interest expense and exchange differences capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment and other intangible assets when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (j) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception of a contract, the Group assesses whether the contract is, or contains, a lease. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### (i) As lessee

Other than land use right, the Group primarily leases telecommunications towers, buildings and premises and other network equipment. Lease contracts are typically made for fixed periods with no extension options.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. Unless the Group applies the practical expedient permitted under IFRS/HKFRS 16 "Leases".

#### **Recognition and measurement of lease liabilities**

Lease liabilities are initially measured at the present value of unpaid lease payments at the commencement date. Lease payments include fixed payments, variable lease payments that are based on an index or a rate, residual value guarantees payments, lease payments to be made under reasonably certain extension options and payments of penalties for exercising an option to terminate the lease.

As the interest rate implicit in the lease of the Group cannot be readily determined, the Group uses incremental borrowing rate as the discounted rate for calculating the present value of lease payments. When determine the incremental borrowing rate, the Group makes adjustments on risk-free interest rate based on lease term and credit risk for leases, as the Group does not have recent third party loan financing. Lease payments are allocated between principal and finance cost. The Group calculates interest on the lease liability based on a constant periodic rate, which is charged to profit or loss as finance cost over the lease period.

#### **Recognition and measurement of right-of-use assets**

Right-of-use assets of the Group are measured at cost, comprising the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date, initial direct costs and restoration costs, etc. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (j) Leases (Continued)

##### (i) As lessee (Continued)

###### Lease modification

The Group accounts for a lease modification as a separate lease if both: (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group redetermine the period of the modified lease and remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease and recognising in profit or loss any gain or loss relating to the partial or full termination of the lease. For all other lease modifications, the Group makes a corresponding adjustment to the carrying amount of the right-of-use asset.

###### Other lease expenses

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Leases of low-value asset are leases for which the underlying asset is of low value, when new. Variable lease payments not based on an index or a rate are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

###### Classification of lease related cash flow

Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities of the Group are included in the cash used in operating activities. Repayment of principal and interest of lease liabilities of the Group is included in the cash used in financing activities.

##### (ii) As lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the lease asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (k) Impairment of non-financial assets

##### (i) Impairment of investments accounted for using the equity method

Investments accounted for using the equity method are reviewed at each balance sheet date to determine whether there is objective indication of impairment. Objective indication of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the entity;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the entity will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the entity; and
- decline in the fair value of an investment in an equity instrument below its carrying amount.

If any such indication exists, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(k)(ii).

##### (ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased, except in the case of goodwill:

- property, plant and equipment;
- construction in progress;
- right-of-use assets;
- land use rights;
- investments in subsidiaries;
- development expenditure; and
- other intangible assets with definite life

If any such indication exists, the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (k) Impairment of non-financial assets (Continued)

##### (ii) Impairment of other assets (Continued)

###### – Calculation of recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use (“VIU”). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

###### – Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, or VIU, if determinable.

###### – Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset’s carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

#### (l) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost represents purchase cost of goods calculated using the weighted average cost method. Net realisable value is determined by reference to the sales proceeds of items sold in the ordinary course of business or to management’s estimates based on prevailing market conditions.

When inventories are sold, the carrying amount of those inventories is recognised as cost of products sold. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (m) Investments and other financial assets

##### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### Classification

The Group classifies its financial assets, depending on the Group's business model for managing the financial assets and the contractual terms of the related cash flows, under the following measurement categories:

- those to be measured at amortised cost, and
- those to be measured at fair value (either through other comprehensive income, or through profit or loss).

##### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at FVPL are expensed in profit or loss.

- (i) The Group's financial assets measured at amortised cost represent those financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss together with foreign exchange gains and losses. Impairment losses are presented in other operating expenses.
- (ii) Debt investments are classified as fair value through other comprehensive income ("FVOCI"), if the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale and the contractual cash flows of the investment comprise solely payments of principal and interest. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

For equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for these equity investments at FVOCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

- (iii) Assets that do not meet the criteria for amortised cost or are not elected/classified as FVOCI are classified as FVPL. A gain or loss on a financial instrument that is subsequently measured at FVPL is recognised in profit or loss and presented net within interest and other income in the period in which it arises.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (m) Investments and other financial assets (Continued)

##### Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its financial instruments carried at amortised cost. The Group has adopted the simplified expected credit loss model for its accounts receivable and contract assets, which requires expected lifetime losses to be recognised from their initial recognition.

For other financial instruments carried at amortised cost, which have low credit risk at both the beginning and end of the reporting period, the Group recognises a loss allowance equal to 12-month expected credit loss unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime expected credit loss.

Financial assets are written off when the Group is satisfied that recovery is remote. When loans or receivables have been written off, the Group continues to attempt to recover the receivables due. When recoveries are made, the recovered amount is recognised in profit or loss.

#### (n) Accounts receivable and other receivables

Accounts receivable are initially recognised at the amount of consideration that is unconditional and other receivables are initially recognised at fair value. Both of them are thereafter measured at amortised cost, using the effective interest rate method and including a loss allowance for impairment (see note 2(m)).

#### (o) Cash and cash equivalents

Cash and cash equivalents comprise bank deposits with original maturity within three months, cash at banks and in hand, demand deposits with banks, and short-term, highly liquid investments that are readily convertible into cash of known amounts and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

#### (p) Accounts payable, accrued expenses and other payables

Accounts payable, accrued expenses and other payables are initially recognised at fair value. After initial recognition, both of them are stated at amortised cost or invoiced amount if the effect of discounting would be immaterial.

#### (q) Deferred revenue

A government grant related to an asset is recognised as deferred revenue and amortised over the useful life of the related asset on a reasonable and systematic manner in other gains. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred revenue, and included in other gains in the periods in which the expenses or losses are recognised. It shall be recognised in profit or loss immediately when as compensation for expenses or losses already incurred.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (r) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

#### (s) Revenue recognition from contracts with customers

The Group mainly provides voice, data and other telecommunications services to its customers through entering into contracts that are either cancellable on a monthly basis or for a fixed contract period generally with prepayment term and/or penalty for early termination. The Group also sells telecommunications related products to its customers.

For the telecommunications services and telecommunication related products and/or other services/products provided by the Group, if the customer can benefit from the services or products and the Group's promise to transfer the services or products is separately identifiable, the Group identifies them as separate performance obligations.

Revenue is measured at the transaction price which is the amount of consideration to which the Group is entitled in exchange for transferring promised performance obligations to the customer excluding amounts collected on behalf of third parties. The amount of consideration is generally explicitly stated in the contract and does not include significant financing component.

When control of a service or product is transferred to a customer, revenue is generally recognised in profit or loss as follows:

- (i) Revenue for each performance obligation is recognised when the Group satisfies the performance obligation by transferring the promised services or products to the customer. Generally, revenue is recognised when the customer obtains the control of the telecommunications services over the time of provision of the services. Revenue is recognised when a customer obtains the control of the product at a point of time.
- (ii) For contracts which include the provision of multiple performance obligations including services and products, the Group allocates the transaction price to each performance obligation based on the relative stand-alone selling price. The stand-alone selling price of services and products are mainly based on its observable selling price. If a stand-alone selling price is not directly observable, the Group considers all information that is reasonably available and maximise the use of observable inputs to estimate the stand-alone selling price. Revenue for each performance obligation is then recognised when the control of the promised services or products is transferred to the customer.
- (iii) The Group usually controls the services and the products it provided before they are transferred to the customer. In certain situations, the Group would consider the primary responsibilities in the arrangement, the establishment of selling price, and the inventory risks, etc. to determine if the Group is acting as a principal or agent. If the Group has assessed and concluded that it does not obtain the control of a specified product before transferring to the customer, the Group is acting as agent in satisfying a performance obligation, and the revenue is recognised in the net amount of any fee or commission to which it expects to be entitled from another party.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (s) Revenue recognition from contracts with customers (Continued)

Contract assets primarily relate to the Group's rights to consideration for services or products provided to the customers but for which the Group does not have an unconditional right at the balance sheet date. The contract asset is reclassified to accounts receivable as services are provided and billed.

Contract liabilities arise when the Group receives consideration in advance of providing the services or products promised in the contract. Contract liabilities mainly comprise non-refundable prepaid service fees received from customers, unredeemed point rewards under customer point reward program ("Reward Program") and unused data traffic carried over. The refundable prepaid service fees received from customers is recorded as receipts in advance.

Contract costs include costs incurred to obtain a contract and cost incurred to fulfil a contract. Costs incurred to obtain a contract represents incremental costs incurred to obtain a contract, which mainly comprise sales commissions payable to third party agents and are amortised on a systemic basis that is consistent with the transfer to the customer of the services or products to which such costs relates over the expected duration of the contract and recorded in selling expense, if it is expected to be recovered. When the expected amortisation period is one year or less, the Group utilises the practical expedient and expenses the costs as incurred. Capitalised incremental costs incurred to obtain a contract is recorded as other non-current assets.

Cost incurred to fulfil a contract represents the cost directly related to the Group's telecommunications service contracts which are not within the scope of another accounting standard. The amount is amortised on a systemic basis that is consistent with the transfer to the customer of the services or products to which the costs incurred to fulfil a customer contract relates over the expected duration of the contract and recorded as network operation and support expenses, if it is expected to be recovered. Capitalised cost incurred to fulfil a contract is recorded as inventory or other non-current assets based on its amortisation period.

#### (t) Interest income

Interest income is recognised as it accrues using the effective interest method.

#### (u) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets may also arise from unused tax losses and unused tax credits.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (u) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries and associates to the extent that, in the case of taxable temporary differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, and it is not probable that they will reverse in the future.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

The amount of deferred tax recognised is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (v) Provisions, contingent liabilities and onerous contracts

##### (i) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

##### (ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract.

#### (w) Employee benefits

##### (i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, leave passage, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Company and subsidiaries incorporated in Hong Kong are required to make contributions to Mandatory Provident Funds under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Such contributions are recognised as an expense in profit or loss as incurred.

The employees of the subsidiaries in the Chinese mainland participate in the defined contribution retirement plans managed by the local government authorities whereby the subsidiaries are required to contribute to the schemes at fixed rates of the employees' salary costs. In addition to the local governmental defined contribution retirement plans, the subsidiaries also participate in a pension scheme launched by the Group managed by an independent insurance company whereby the subsidiaries are required to make contributions to the retirement plans at fixed rates of the employees' salary costs or in accordance with the terms of the plans. The Group's contributions to these plans are charged to profit or loss when incurred. During the reporting period, no forfeited contributions were used by the Group to reduce the existing level of contributions.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (w) Employee benefits (Continued)

##### (ii) Supplementary retirement benefits

In addition to participating in local governmental defined contribution social insurance, the Group also provides other post retirement supplementary retirement benefits to those retired employees qualified for certain criteria in accordance with the governmental requirement. Under such plan, the Group provides or reimburses certain medical benefits to retired employees annually based on certain criteria. The Group's payment obligation in the future under such plan are discounted and recognised as liabilities, the costs of which are recognised in profit or loss. Changes arising from remeasurement of the liability due to changes in the actuarial assumptions are recognised in other comprehensive income when incurred.

##### (iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed at each balance sheet date. Any resulting adjustment to the cumulative fair value recognised in prior years is recognised in profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve). The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share capital account) or the option expires (when it is released directly to retained profits). In the Company's balance sheet, share-based payment transactions in which the Company grants share options to subsidiaries' employees are accounted for as an increase in value of investments in subsidiaries, which is eliminated in consolidated financial statements.

##### (iv) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment which is without realistic possibility of withdrawal or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

#### (y) Translation of foreign currencies

The functional currency of majority of the entities within the Group is RMB, which is the currency of the primary economic environment in which most of the Group's entities operate. The Group adopted RMB as its presentation currency in the preparation of the consolidated financial statements, which is also the functional currency of the Company.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of overseas entities are translated into RMB at the exchange rates approximating the foreign exchange rate ruling at the dates of transactions. Assets and liabilities are translated into RMB at the exchange rates ruling at the balance sheet date. The resulting currency translation differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. On disposal of an overseas entity, the cumulative amount of the currency translation differences relating to that particular foreign operation is reclassified from equity to profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas entities within the Group are translated into RMB by using the exchange rates approximating the foreign exchange rate ruling at the dates of the cash flows.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (z) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control of the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) The entity is controlled or jointly controlled by a person identified in note 2(z)(a); or
  - (vii) A person identified in note 2(z)(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (aa) 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 ("CODM") in order to allocate resources and assess performance of the segment. The CODM has been identified as the Executive Directors of the Company. For the years presented, the Group as a whole is an operating segment since the Group is only engaged in telecommunications and information related businesses. No geographical information has been disclosed as the majority of the Group's operating activities are carried out in the Chinese mainland. The Group's assets located and operating revenue derived from activities outside the Chinese mainland are less than 5% of the Group's assets and operating revenue, respectively.

#### (ab) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

### 3 CHANGES IN ACCOUNTING POLICIES

The following new or amended IFRSs/HKFRSs are mandatory for the first time for the Group's financial year beginning on 1 January 2025 and are applicable for the Group:

- Amendments to IAS/HKAS 21, The effects of changes in foreign exchange rates: Lack of exchangeability

The adoption of the above new or amended IFRSs/HKFRSs effective for the financial year beginning on 1 January 2025 does not have a material impact on the Group.

In addition, the IASB and HKICPA also published a number of new standards and amendments to standards which are effective for the Group's financial year beginning on or after 1 January 2026 and have not been early adopted by the Group (see note 46). Management is assessing the impact of such standards and will adopt the relevant standards in the subsequent periods as required.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 4 OPERATING REVENUE

	2025 Million	2024 Million
<b>Revenue from principal businesses*</b>		
Voice services	66,633	70,090
SMS & MMS services	29,602	30,822
Wireless data traffic services	369,092	385,936
Wireline broadband services	141,569	130,192
Applications and information services	258,761	243,774
Others	29,873	28,654
	<b>895,530</b>	889,468
<b>Revenue from other businesses</b>		
Sales of products and others	154,657	151,291
	<b>1,050,187</b>	1,040,759

\* This item represents revenue from provision of communications services, computing services and AI services

Substantially all of the Group's operating revenue is generated from contracts with customers, and the remaining is not material. The revenue recognition policy has been disclosed in note 2(s), while majority of the Group's revenue from contracts with customers was recognised over time.

Operating revenue is subject to value-added tax ("VAT"). The VAT rate for basic telecommunications services is 9%. The VAT rate for value-added telecommunications services, information technology services and technical consulting services is 6% and the VAT rate for sales of telecommunications terminals is 13%. VAT is excluded from the revenue.

The unsatisfied performance obligation of the Group is mainly related to telecommunications services. The Group generally enters into service contracts with customers monthly or for a fixed term, and bills the customers monthly based on the contract terms for the Group's unconditional right to consideration. Majority of the transaction considerations that were allocated to unsatisfied performance obligations as at the end of the reporting period are expected to be recognised within one year when services are provided. For the contracts that have an original expected duration of one year or less and the performance obligations which are regarded as satisfied as billed, the Group has applied the practical expedient permitted under IFRS/HKFRS 15 "Revenue from Contracts with Customers", therefore, the information about the remaining performance obligations were not disclosed.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 5 NETWORK OPERATION AND SUPPORT EXPENSES

	Note	2025 Million	2024 Million
Maintenance, operation support and related expenses		194,549	191,045
Power and utilities expenses		43,931	42,654
Charges for use of tower assets	(i)(iii)	23,243	23,989
Charges for use of lines, network and other assets	(ii)(iii)	17,275	18,497
Others		6,700	7,156
		<b>285,698</b>	<b>283,341</b>

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, network 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.
- (iii) For the year ended 31 December 2025, short-term lease payments and lease payments of low-value assets amounted to RMB9,435 million (2024: RMB11,170 million), and variable lease payments not based on an index or a rate (mainly about the lease of tower assets), which are recorded in profit or loss as incurred, amounted to RMB5,666 million (2024: RMB5,612 million).

### 6 EMPLOYEE BENEFIT AND RELATED EXPENSES

	2025 Million	2024 Million
Salaries, wages, labour service expenses and other benefits	132,830	131,840
Retirement costs: contributions to defined contribution retirement plans	21,074	19,615
Share-based compensation expenses	200	489
	<b>154,104</b>	<b>151,944</b>

The Group has implemented the transfer of the socialised management of existing retirees to external organisations in accordance with the governmental requirement. The Group is also obliged to pay for certain of such retirees' post-retirement benefits (mainly including supplementary medical benefits, etc.) in the future with the principle that the level of such benefits would not be decreased. This benefit plan is accounted for as a long-term defined benefits obligation and does not have any plan assets. As at the end of the reporting period, the Group engaged an independent qualified actuary to calculate the Group's obligation for this benefit plan using the projected unit credit method, and such obligation was recognised as liability. Actuarial assumptions mainly included discount rate and life expectancy. For the year ended 31 December 2025, the discount rate was 2.00% per annum (2024: 1.75%). Life expectancy was determined in accordance with relevant information on the "China Life Insurance Mortality Table (2010-2013) – CL5/CL6". Reasonable changes in actuarial assumptions would not have a significant impact on the consolidated financial statements of the Group.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 6 EMPLOYEE BENEFIT AND RELATED EXPENSES (CONTINUED)

The movement of defined benefit plan liabilities is as follows:

	2025 Million	2024 Million
As at 1 January	7,425	6,781
Defined benefit costs included in profit or loss		
– service cost	56	(38)
– interest cost	127	181
Actuarial (gains)/losses included in other comprehensive income	(227)	889
Payments during the year	(377)	(388)
As at 31 December	7,004	7,425

### 7 OTHER OPERATING EXPENSES

	Note	2025 Million	2024 Million
Interconnection		30,583	28,445
Expected credit impairment losses		8,623	14,509
Write-down of inventories		196	217
(Reversals)/recognition of impairment losses of contract assets		(48)	302
Net loss on disposal and write-off of property, plant and equipment and other intangible assets		80	419
Co-research and development expenses	(i)	3,769	5,031
Auditors' remuneration			
– audit services fees	(ii)	89	86
– non-audit services fees		6	2
Taxes and surcharges		4,001	3,759
Others	(iii)	14,979	15,209
		62,278	67,979

Note:

- (i) For the year ended 31 December 2025, research and development expenses amounted to RMB29,253 million in total (for the year ended 31 December 2024: RMB28,163 million) included the co-research and development expenses as disclosed above and other expenditures relating to employee benefit and related expenses, depreciation and amortisation and other expenses, which amount is also included in the respective account captions.
- (ii) The item includes service fees for audit of the Group's internal controls over financial reporting pursuant to regulatory requirements amounted to RMB16 million (2024: RMB16 million).
- (iii) Others consist of administrative expenses and other miscellaneous expenses.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 8 OTHER (LOSSES)/GAINS

	<b>2025</b>	2024
	<b>Million</b>	Million
Compensation income	<b>1,387</b>	1,324
Additional deduction of input VAT	<b>11</b>	7
Others	<b>(1,824)*</b>	3,639
	<b>(426)</b>	4,970

\* This amount included the tax impact of revenue disaggregation basis applied to services packages

### 9 INTEREST AND OTHER INCOME

	<b>2025</b>	2024
	<b>Million</b>	Million
Interest income	<b>5,292</b>	6,275
Net gains on hold/disposal of financial assets	<b>13,011</b>	16,730
	<b>18,303</b>	23,005

### 10 FINANCE COSTS

	<b>2025</b>	2024
	<b>Million</b>	Million
Interest for lease liabilities	<b>2,751</b>	2,993
Interest for short-term deposits received (note 41(a))	<b>432</b>	84
Others	<b>474</b>	196
	<b>3,657</b>	3,273

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 11 DIRECTORS' REMUNERATION

Directors' remuneration during 2025 is as follows:

	Directors' fees '000	Salaries, allowances and bonuses '000	Contributions relating to social insurance, housing fund and retirement scheme '000	2025 Total '000
<b>Executive directors*****</b>				
<b>(Expressed in RMB)</b>				
CHEN Zhongyue*	–	104	43	147
YANG Jie**	–	573	165	738
HE Biao***	–	625	256	881
WANG Limin****	–	563	247	810
LI Pizheng*****	–	–	–	–
LI Ronghua	–	556	246	802
	–	2,421	957	3,378
<b>Independent non-executive directors</b>				
<b>(Expressed in Hong Kong dollar)</b>				
YIU Kin Wah Stephen	490	–	–	490
YANG Qiang*****	341	–	–	341
LEE Ka Sze Carmelo	500	–	–	500
LEUNG KO May Yee Margaret	520	–	–	520
	1,851	–	–	1,851

\* On 22 December 2025, Mr. Chen Zhongyue was appointed as Chairman of the Company

\*\* On 22 December 2025, Mr. Yang Jie resigned from his position as Chairman of the Company

\*\*\* On 12 February 2026, Mr. He Biao resigned from his positions as an Executive Director and the Chief Executive Officer of the Company

\*\*\*\* On 8 January 2025, Mr. Wang Limin was appointed as an Executive Director of the Company

\*\*\*\*\* On 8 January 2025, Mr. Li Pizheng resigned from his position as an Executive Director of the Company

\*\*\*\*\* The Company's executive directors voluntarily waived their directors' fees in 2025 and Dr. Yang Qiang, an independent non-executive director, voluntarily waived his director's fees for the three months ended 31 March 2025

\*\*\*\*\* During 2025, in addition to the aforementioned remuneration for the year, executive directors' remuneration also included the performance related bonus for 2024 determined and paid during the year, and the additional bonuses granted during the year related to their term of service based on their performance upon the completion of three-year evaluation period from 2022 to 2024, including RMB367 thousand and RMB864 thousand for Yang Jie, RMB297 thousand and RMB216 thousand for He Biao, RMB30 thousand and RMB22 thousand for Wang Limin, RMB346 thousand and RMB769 thousand for Li Ronghua, respectively. The unpaid portion of performance related bonuses for 2025 will be determined, accrued and paid in 2026 based on their performance, and the additional bonuses related to their term of service will be determined, accrued and paid based on their performance upon the completion of three-year evaluation period from 2025 to 2027

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 11 DIRECTORS' REMUNERATION (CONTINUED)

Directors' remuneration during 2024 is as follows:

	Directors' fees '000	Salaries, allowances and bonuses '000	Contributions relating to social insurance, housing fund and retirement scheme '000	2024 Total '000
<b>Executive directors****</b>				
<b>(Expressed in RMB)</b>				
YANG Jie	–	612	245	857
HE Biao*	–	459	190	649
DONG Xin**	–	51	21	72
WANG Limin	–	45	21	66
LI Pizheng	–	552	236	788
LI Ronghua	–	545	242	787
	–	2,264	955	3,219
<b>Independent non-executive directors</b>				
<b>(Expressed in Hong Kong dollar)</b>				
YIU Kin Wah Stephen	490	–	–	490
YANG Qiang***	–	–	–	–
LEE Ka Sze Carmelo	500	–	–	500
LEUNG KO May Yee Margaret	520	–	–	520
	1,510	–	–	1,510

\* On 26 April 2024, Mr. He Biao was appointed as an Executive Director and the Chief Executive Officer of the Company

\*\* On 11 January 2024, Mr. Dong Xin resigned from his positions as an Executive Director and the Chief Executive Officer of the Company

\*\*\* In 2024, the Company's executive directors and Dr. Yang Qiang, an independent non-executive director, voluntarily waived their directors' fees

\*\*\*\* During 2024, in addition to the aforementioned remuneration for the year, executive directors' remuneration also included the performance related bonus for 2023 determined and paid during the year, including RMB360 thousand for Yang Jie, RMB360 thousand for Dong Xin, RMB357 thousand for Li Pizheng and RMB346 thousand for Li Ronghua, respectively. The unpaid portion of performance related bonuses for 2024 will be determined, accrued and paid in 2025 based on their performance, and the additional bonuses related to their term of service will be determined, accrued and paid based on their performance upon the completion of three-year evaluation period from 2022 to 2024

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 12 OTHER SENIOR MANAGEMENT'S REMUNERATION AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

#### (a) Other senior management's remuneration

Other senior management's remuneration during 2025 included remuneration paid for the year, performance related bonuses for previous year determined and paid during the year and the additional bonuses related to their term of service based on their performance upon the completion of three-year evaluation period from 2022 to 2024 as granted during the year. In 2025, the Company's other senior management's remuneration paid was within the range between RMB550,000 to RMB1,950,000(2024: RMB450,000 to RMB1,150,000). The unpaid portion of performance related bonuses for 2025 will be determined, accrued and paid in 2026 based on their performance, and the additional bonuses related to their term of service will be determined, accrued and paid based on their performance upon the completion of three-year evaluation period from 2025 to 2027.

#### (b) Individuals with highest emoluments

For the year ended 31 December 2025 and 2024, none of the five individuals with the highest emoluments in the Group are directors or other senior management. The emoluments payable to the five individuals with highest emoluments are as follows:

	2025 '000	2024 '000
Salaries, allowances and benefits in kind	7,022	6,095
Performance related bonuses	6,105	5,773
Retirement scheme contributions	496	469
	<b>13,623</b>	12,337

The emoluments fell within the following bands:

	2025 Number of individuals	2024 Number of individuals
Emolument bands		
1,500,001–2,000,000	–	1
2,000,001–2,500,000	3	3
2,500,001–3,000,000	1	–
3,500,001–4,000,000	1	1

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 13 TAXATION

#### (a) Taxation in the consolidated statement of comprehensive income represents:

	Note	2025 Million	2024 Million
<b>Current tax</b>			
Provision for enterprise income tax in the Chinese mainland and other countries and regions on the estimated assessable profits for the year	(i)	38,986	42,058
Provision for Hong Kong profits tax on the estimated assessable profits for the year	(ii)	879	657
		<b>39,865</b>	42,715
<b>Deferred tax</b>			
Origination and reversal of temporary differences, net (note 22)		(1,521)	(2,852)
		<b>38,344</b>	39,863

Note:

- (i) The provision for enterprise income tax in the Chinese mainland and other countries and regions has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the regions in which the Group operates. The Company's subsidiaries operate mainly in the Chinese mainland. The provision for the PRC enterprise income tax is based on the statutory tax rate of 25% (2024: 25%) on the estimated assessable profits determined in accordance with the relevant income tax rules and regulations of the PRC for the year ended 31 December 2025. Certain subsidiaries of the Company entitle to the preferential tax rate of 15% (2024: 15%). Also certain research and development costs of the Company's PRC subsidiaries are qualified for 100% additional deduction.
- (ii) The provision for Hong Kong profits tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year ended 31 December 2025.
- (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.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 13 TAXATION (CONTINUED)

#### (b) Reconciliations between income tax expense and accounting profit at applicable tax rates:

	2025 Million	2024 Million
Profit before taxation	175,608	178,389
Notional tax on profit before tax, calculated at the PRC's statutory tax rate of 25% (Note)	43,902	44,597
Tax effect of non-taxable items		
– Income from investments accounted for using the equity method	(3,086)	(2,747)
– Other non-taxable income	(432)	(283)
Tax effect of non-deductible expenses	1,800	1,670
Tax rate differential (note 13(a)(i)(ii))	(3,333)	(3,046)
Tax effect of deductible temporary difference and deductible tax loss for which no deferred tax asset was recognised, net of utilisation (note 22)	893	937
Additional deduction for qualified research and development costs (note 13(a)(i))	(1,400)	(1,265)
Taxation	38,344	39,863

Note: The PRC's statutory tax rate is adopted as the majority of the Group's operations are subject to this rate.

#### (c) The tax charged relating to components of other comprehensive income is as follows:

	Before tax Million	2025 Tax charged Million	After tax Million	Before tax Million	2024 Tax charged Million	After tax Million
Changes in value of financial assets measured at FVOCI	604	(79)	525	762	(211)	551
Remeasurement of defined benefit liabilities	227	–	227	(889)	–	(889)
Currency translation differences	(1,238)	–	(1,238)	892	–	892
Share of other comprehensive (loss)/income of investments accounted for using the equity method	(1,301)	–	(1,301)	1,984	–	1,984
<b>Other comprehensive income</b>	<b>(1,708)</b>	<b>(79)</b>	<b>(1,787)</b>	<b>2,749</b>	<b>(211)</b>	<b>2,538</b>
Current tax		–			–	
Deferred tax		(79)			(211)	
		(79)			(211)	

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 14 EARNINGS PER SHARE

#### (a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2025 is based on the profit attributable to equity shareholders of the Company of RMB137,095 million (2024: RMB138,373 million) and the weighted average number of 21,600,009,912 shares (2024: 21,438,442,570 shares) in issue during the year.

#### (b) Diluted earnings per share

In calculating the diluted earnings per share amounts for the years presented, the Group has considered the potential dilutive effect of arrangements outstanding during the relevant periods, including (i) convertible bonds issued by an associate of the Group ("CB") up to the dates on which they ceased to be outstanding during the year, whether through conversion into ordinary shares or redemption upon maturity (note 23) and (ii) share options issued by the Company (note 38).

For the year ended 31 December 2025, the CB were considered only for the period from 1 January 2025 to the date of their conversion or redemption. The CB were excluded from the calculation of diluted earnings per share for the year because their assumed conversion would have been anti-dilutive. The Company's share options were included in diluted earnings per share only to the extent that the exercise price of the relevant share options was below the average market price of the Company's ordinary shares on the HKEX during the relevant period, and, where relevant, the Company can determine that the applicable performance conditions would have been satisfied if the end of the year were the end of the performance period.

For the year ended 31 December 2025, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB137,095 million (2024: RMB138,356 million) and the weighted average number of 21,751,931,306 shares (2024: 21,542,759,453 shares) in issue after adjusting for the effect of all dilutive potential ordinary shares during the year.

(i) Weighted average number of ordinary shares (diluted)

	<b>2025</b>	2024
	<b>Number of</b>	Number of
	<b>shares</b>	shares
Weighted average number of shares in issue during the year	<b>21,600,009,912</b>	21,438,442,570
Dilutive equivalent shares arising from share options	<b>151,921,394</b>	104,316,883
Weighted average number of shares (diluted) during the year	<b>21,751,931,306</b>	21,542,759,453

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 15 PROPERTY, PLANT AND EQUIPMENT

	Buildings Million	Telecommunications transceivers, switching centers, transmission and other network equipment Million	Office equipment, furniture, fixtures and others Million	Total Million
<b>Cost:</b>				
<b>As at 1 January 2024</b>	176,409	2,014,510	17,287	2,208,206
Transferred from construction in progress	3,809	138,321	2,283	144,413
Other additions	94	266	177	537
Disposals and write-off	(434)	(57,581)	(1,070)	(59,085)
Exchange differences	121	379	5	505
<b>As at 31 December 2024</b>	179,999	2,095,895	18,682	2,294,576
<b>Accumulated depreciation and impairment:</b>				
<b>As at 1 January 2024</b>	75,459	1,405,385	12,699	1,493,543
Charge for the year	6,526	136,383	1,446	144,355
Disposals and write-off	(373)	(56,635)	(1,033)	(58,041)
Exchange differences	39	181	5	225
<b>As at 31 December 2024</b>	81,651	1,485,314	13,117	1,580,082
<b>Net book value:</b>				
<b>As at 31 December 2024</b>	98,348	610,581	5,565	714,494

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings Million	Telecommunications transceivers, switching centers, transmission and other network equipment Million	Office equipment, furniture, fixtures and others Million	Total Million
<b>Cost:</b>				
<b>As at 1 January 2025</b>	179,999	2,095,895	18,682	2,294,576
Transferred from construction in progress	4,160	125,680	1,054	130,894
Other additions	1,191	3,649	249	5,089
Disposals and write-off	(402)	(66,553)	(1,380)	(68,335)
Exchange differences	(93)	(434)	(6)	(533)
<b>As at 31 December 2025</b>	<b>184,855</b>	<b>2,158,237</b>	<b>18,599</b>	<b>2,361,691</b>
<b>Accumulated depreciation and impairment:</b>				
<b>As at 1 January 2025</b>	81,651	1,485,314	13,117	1,580,082
Charge for the year	6,443	134,021	1,213	141,677
Disposals and write-off	(354)	(65,218)	(1,345)	(66,917)
Exchange differences	(46)	(216)	(5)	(267)
<b>As at 31 December 2025</b>	<b>87,694</b>	<b>1,553,901</b>	<b>12,980</b>	<b>1,654,575</b>
<b>Net book value:</b>				
<b>As at 31 December 2025</b>	<b>97,161</b>	<b>604,336</b>	<b>5,619</b>	<b>707,116</b>

As disclosed in note 21(c), in accordance with the collaboration agreements with China Broadcasting Network Corporation Ltd. ("CBN"), without consent from the other party, any party may not dispose of (including transfer, mortgage or pledge) its ownership in all or any 700MHz wireless network assets (including but not limited to base stations, antennas and essential wireless ancillary equipment) within the scope of collaboration. As at 31 December 2025, the aforesaid assets amounted to RMB60,550 million and RMB2,298 million were included in property, plant and equipment and construction in progress, respectively (As at 31 December 2024: RMB57,622 million and RMB2,782 million, respectively).

The Group adjusted the depreciable lives of the 5G wireless assets and related transmission equipment from 7 years to 10 years with effect from 2024. The aforesaid changes in accounting estimates were made using the prospective application method, resulting in the depreciation and amortization for the year ended 31 December 2024 decreased by approximately RMB19,069 million.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 16 CONSTRUCTION IN PROGRESS

	2025 Million	2024 Million
As at 1 January	74,271	74,496
Additions	127,398	153,594
Transferred to property, plant and equipment and other intangible assets	(139,824)	(153,819)
As at 31 December	61,845	74,271

Construction in progress primarily comprises expenditure incurred on the network expansion projects but not yet completed.

### 17 LEASES

This note provides lease information about the Group as a lessee.

#### (a) Right-of-use assets

	Telecommunications Towers and related assets Million	Buildings and premises Million	Others Million	Total Million
<b>Cost:</b>				
<b>As at 1 January 2024</b>	151,046	50,839	12,703	214,588
Additions	8,491	10,529	3,457	22,477
Decreases	(7,926)	(7,175)	(1,678)	(16,779)
Exchange differences	–	60	–	60
<b>As at 31 December 2024</b>	151,611	54,253	14,482	220,346
<b>Accumulated amortisation and impairment:</b>				
<b>As at 1 January 2024</b>	85,572	27,791	6,472	119,835
Additions	16,878	9,252	4,605	30,735
Decreases	(3,660)	(6,050)	(1,170)	(10,880)
Exchange differences	–	31	–	31
<b>As at 31 December 2024</b>	98,790	31,024	9,907	139,721
<b>Net book value:</b>				
<b>As at 31 December 2024</b>	52,821	23,229	4,575	80,625

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 17 LEASES (CONTINUED)

#### (a) Right-of-use assets (Continued)

	Telecommunications Towers and related assets Million	Buildings and premises Million	Others Million	Total Million
<b>Cost:</b>				
<b>As at 1 January 2025</b>	151,611	54,253	14,482	220,346
Additions	6,558	15,308	12,984	34,850
Decreases	(6,649)	(8,828)	(2,716)	(18,193)
Exchange differences	-	(56)	-	(56)
<b>As at 31 December 2025</b>	151,520	60,677	24,750	236,947
<b>Accumulated amortisation and impairment:</b>				
<b>As at 1 January 2025</b>	98,790	31,024	9,907	139,721
Additions	17,201	10,129	5,680	33,010
Decreases	(3,920)	(7,605)	(1,877)	(13,402)
Exchange differences	-	(44)	-	(44)
<b>As at 31 December 2025</b>	112,071	33,504	13,710	159,285
<b>Net book value:</b>				
<b>As at 31 December 2025</b>	39,449	27,173	11,040	77,662

On 13 December 2022, the board of the Company approved the entering into by China Mobile Communication Co., Ltd. ("CMC") with China Tower Corporation Limited ("China Tower") of the Commercial Pricing Agreement and the Service Agreement, each for a term of five years from 1 January 2023 to 31 December 2027, which was accounted for as lease modification. Subsequently, CMC entered into those agreements with China Tower after the resolution were approved during the extraordinary general meeting of the Company on 11 January 2023.

Pursuant to the Commercial Pricing Agreement and the Service Agreement, China Tower will continue to lease telecommunications towers and provide other related services to CMC's subsidiaries. Based on these agreements, negotiation was done at the provincial level about the specific assets to be leased and related services to be provided, and provincial service agreements have been entered into.

#### (b) Land use rights

For the year ended 31 December 2025, the amortisation of land use rights expensed in the profit or loss amounted to RMB466 million (2024: RMB473 million).

#### (c) Lease liabilities

As at 31 December 2025 and 2024, the maturity analysis of lease liabilities was set out in note 42(b).

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 18 GOODWILL

	RMB Million
As at 31 December 2024 and 1 January 2025	35,301
Additions	3,995
Exchange differences	(32)
As at 31 December 2025	39,264

#### (a) Acquisition of Hong Kong Broadband Network Limited (“HKBN”)

During 2025, additions of goodwill were mainly attributable to the acquisition of approximately 51% of equity interests in HKBN. The transaction is a business combination not under common control and has been accounted for using the acquisition method. Following the acquisition, the Group’s ownership interest in HKBN increased further to approximately 75% through additional share purchases pursuant to the tender offer as acceptances were received. These subsequent purchases did not result in a change of control and were accounted for as equity transactions with owners.

Goodwill of RMB3,991 million was recognised at the acquisition date, representing the excess of the consideration transferred over the fair value of the Group’s share of the net identifiable liabilities acquired. The goodwill recognised is mainly attributable to expected synergies from combining the operations and capabilities of the Group and HKBN, including complementary strategic and operational benefits.

#### (b) Impairment tests for goodwill

Goodwill has been allocated to the Group’s cash-generating units (“CGU”) identified according to business operations as follows:

	Note	As at 31 December 2025 Million
The operation in the Chinese mainland	(i)	35,300
HKBN		3,958
Others		6
		39,264

There was no impairment provided for the goodwill for the year.

- (i) As at 31 December 2025, the recoverable amount of the cash-generating unit in relation to the operation in the Chinese mainland is determined based on the VIU calculations by using the discounted cash flow method. This method considers the pre-tax cash flows of the subsidiaries (cash-generating unit) for the five years ending 31 December 2030 and the projected perpetual cash flows after the fifth year. The cash flow projections beyond the five-year period were using a continual growth rate of 1%. The present value of cash flows is calculated by discounting the cash flow using pre-tax discount rate of approximately 10%. The management performed impairment test for the goodwill in relation to the operation in the Chinese mainland and determined such goodwill was not impaired. Reasonably possible changes in key assumptions would not lead to the goodwill impairment losses.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 19 OTHER INTANGIBLE ASSETS

	Software Million	Others Million	Total Million
<b>Cost:</b>			
<b>As at 1 January 2024</b>	99,052	19,621	118,673
Additions	14,131	5,665	19,796
Disposals	(5,450)	(3,844)	(9,294)
Exchange differences	18	126	144
<b>As at 31 December 2024</b>	107,751	21,568	129,319
<b>Accumulated amortisation and impairment:</b>			
<b>As at 1 January 2024</b>	72,737	13,216	85,953
Charge for the year	10,646	5,391	16,037
Written back on disposals	(5,325)	(3,781)	(9,106)
Exchange differences	10	61	71
<b>As at 31 December 2024</b>	78,068	14,887	92,955
<b>Net book value:</b>			
<b>As at 31 December 2024</b>	29,683	6,681	36,364
	<b>Software Million</b>	<b>Others Million</b>	<b>Total Million</b>
<b>Cost:</b>			
<b>As at 1 January 2025</b>	<b>107,751</b>	<b>21,568</b>	<b>129,319</b>
Additions	<b>14,044</b>	<b>4,543</b>	<b>18,587</b>
Business combination other than common control	–	<b>6,734</b>	<b>6,734</b>
Disposals	<b>(8,986)</b>	<b>(4,091)</b>	<b>(13,077)</b>
Exchange differences	<b>(27)</b>	<b>(195)</b>	<b>(222)</b>
<b>As at 31 December 2025</b>	<b>112,782</b>	<b>28,559</b>	<b>141,341</b>
<b>Accumulated amortisation and impairment:</b>			
<b>As at 1 January 2025</b>	<b>78,068</b>	<b>14,887</b>	<b>92,955</b>
Charge for the year	<b>11,003</b>	<b>4,663</b>	<b>15,666</b>
Written back on disposals	<b>(8,865)</b>	<b>(4,074)</b>	<b>(12,939)</b>
Exchange differences	<b>(17)</b>	<b>(66)</b>	<b>(83)</b>
<b>As at 31 December 2025</b>	<b>80,189</b>	<b>15,410</b>	<b>95,599</b>
<b>Net book value:</b>			
<b>As at 31 December 2025</b>	<b>32,593</b>	<b>13,149</b>	<b>45,742</b>

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 20 SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

No.	Name of company*	Place of incorporation/ establishment and operation	Particulars of issued and paid-up capital	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
1	China Mobile Communication (BVI) Limited	the British Virgin Islands ("BVI")	HK\$2	100%	–	Investment holding company
2	China Mobile Communication Co., Ltd. **	the Chinese mainland	RMB53,218,848,326	–	100%	Network and business coordination center
3	China Mobile Group Guangdong Co., Ltd. ("Guangdong Mobile")	the Chinese mainland	RMB5,594,840,700	–	100%	Telecommunications operator
4	China Mobile Group Zhejiang Co., Ltd.	the Chinese mainland	RMB2,117,790,000	–	100%	Telecommunications operator
5	China Mobile Group Jiangsu Co., Ltd.	the Chinese mainland	RMB2,800,000,000	–	100%	Telecommunications operator
6	China Mobile Group Fujian Co., Ltd.	the Chinese mainland	RMB5,247,480,000	–	100%	Telecommunications operator
7	China Mobile Group Henan Co., Ltd.	the Chinese mainland	RMB4,367,733,641	–	100%	Telecommunications operator
8	China Mobile Group Hainan Co., Ltd.	the Chinese mainland	RMB643,000,000	–	100%	Telecommunications operator
9	China Mobile Group Beijing Co., Ltd.	the Chinese mainland	RMB6,124,696,053	–	100%	Telecommunications operator
10	China Mobile Group Shanghai Co., Ltd.	the Chinese mainland	RMB6,038,667,706	–	100%	Telecommunications operator
11	China Mobile Group Tianjin Co., Ltd.	the Chinese mainland	RMB2,151,035,483	–	100%	Telecommunications operator
12	China Mobile Group Hebei Co., Ltd.	the Chinese mainland	RMB4,314,668,531	–	100%	Telecommunications operator
13	China Mobile Group Liaoning Co., Ltd.	the Chinese mainland	RMB5,140,126,680	–	100%	Telecommunications operator
14	China Mobile Group Shandong Co., Ltd.	the Chinese mainland	RMB6,341,851,146	–	100%	Telecommunications operator
15	China Mobile Group Guangxi Co., Ltd.	the Chinese mainland	RMB2,340,750,100	–	100%	Telecommunications operator
16	China Mobile Group Anhui Co., Ltd.	the Chinese mainland	RMB4,099,495,494	–	100%	Telecommunications operator

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 20 SUBSIDIARIES (CONTINUED)

No.	Name of company*	Place of incorporation/ establishment and operation	Particulars of issued and paid-up capital	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
17	China Mobile Group Jiangxi Co., Ltd.	the Chinese mainland	RMB2,932,824,234	–	100%	Telecommunications operator
18	China Mobile Group Chongqing Co., Ltd.	the Chinese mainland	RMB3,029,645,401	–	100%	Telecommunications operator
19	China Mobile Group Sichuan Co., Ltd.	the Chinese mainland	RMB7,483,625,572	–	100%	Telecommunications operator
20	China Mobile Group Hubei Co., Ltd.	the Chinese mainland	RMB3,961,279,556	–	100%	Telecommunications operator
21	China Mobile Group Hunan Co., Ltd.	the Chinese mainland	RMB4,015,668,593	–	100%	Telecommunications operator
22	China Mobile Group Shaanxi Co., Ltd.	the Chinese mainland	RMB3,171,267,431	–	100%	Telecommunications operator
23	China Mobile Group Shanxi Co., Ltd.	the Chinese mainland	RMB2,773,448,313	–	100%	Telecommunications operator
24	China Mobile Group Neimenggu Co., Ltd.	the Chinese mainland	RMB2,862,621,870	–	100%	Telecommunications operator
25	China Mobile Group Jilin Co., Ltd.	the Chinese mainland	RMB5,327,579,314	–	100%	Telecommunications operator
26	China Mobile Group Heilongjiang Co., Ltd.	the Chinese mainland	RMB4,500,508,035	–	100%	Telecommunications operator
27	China Mobile Group Guizhou Co., Ltd.	the Chinese mainland	RMB2,541,981,749	–	100%	Telecommunications operator
28	China Mobile Group Yunnan Co., Ltd.	the Chinese mainland	RMB4,137,130,733	–	100%	Telecommunications operator
29	China Mobile Group Xizang Co., Ltd.	the Chinese mainland	RMB8,098,643,686	–	100%	Telecommunications operator
30	China Mobile Group Gansu Co., Ltd.	the Chinese mainland	RMB1,702,599,589	–	100%	Telecommunications operator
31	China Mobile Group Qinghai Co., Ltd.	the Chinese mainland	RMB3,772,564,911	–	100%	Telecommunications operator
32	China Mobile Group Ningxia Co., Ltd.	the Chinese mainland	RMB2,890,447,232	–	100%	Telecommunications operator
33	China Mobile Group Xinjiang Co., Ltd.	the Chinese mainland	RMB12,431,599,639	–	100%	Telecommunications operator

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 20 SUBSIDIARIES (CONTINUED)

No.	Name of company*	Place of incorporation/ establishment and operation	Particulars of issued and paid-up capital	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
34	China Mobile Group Design Institute Co., Ltd.	the Chinese mainland	RMB160,232,547	–	100%	Provision of telecommunications network planning design and consulting services
35	China Mobile Holding Company Limited**	the Chinese mainland	US\$30,000,000	100%	–	Investment holding company
36	China Mobile Information Technology Co., Ltd.**	the Chinese mainland	US\$7,633,000	–	100%	Provision of telecommunications network planning design and consulting services
37	Aspire Holdings Limited	Cayman Islands	HK\$93,964,583	66.41%	–	Investment holding company
38	Aspire (BVI) Limited#	BVI	US\$1,000	–	100%	Investment holding company
39	Aspire Technologies (Shenzhen) Limited***	the Chinese mainland	US\$10,000,000	–	100%	Development, services and maintenance of industry value-added platform
40	Aspire Information Network (Shenzhen) Limited***	the Chinese mainland	US\$5,000,000	–	100%	Provision of mobile data solutions, system integration and development
41	Aspire Information Technologies (Beijing) Limited***	the Chinese mainland	US\$5,000,000	–	100%	Operation support and capability service of digital content
42	Fujian FUNO Mobile Communication Technology Company Limited***	the Chinese mainland	RMB60,000,000	–	51%	Network construction and maintenance, network planning and optimizing training and information services
43	Advanced Roaming & Clearing House Limited	BVI	US\$2	100%	–	Provision of roaming clearance services
44	Fit Best Limited	BVI	US\$1	100%	–	Investment holding company
45	China Mobile Hong Kong Company Limited	Hong Kong	HK\$951,046,930	–	100%	Provision of telecommunications and related services
46	China Mobile International Holdings Limited	Hong Kong	HK\$20,719,810,000	100%	–	Investment holding company
47	China Mobile International Limited	Hong Kong	HK\$6,376,425,499	–	100%	Provision of voice and roaming clearance services, internet services and value-added services

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 20 SUBSIDIARIES (CONTINUED)

No.	Name of company*	Place of incorporation/ establishment and operation	Particulars of issued and paid-up capital	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
48	China Mobile Group Device Co., Ltd.	the Chinese mainland	RMB6,200,000,000	–	99.97%	Provision of electronic communication products design services and sale of related products
49	China Mobile Group Finance Co., Ltd. ("China Mobile Finance")	the Chinese mainland	RMB11,627,783,669	–	92%	Provision of non-banking financial services
50	China Mobile IoT Company Limited	the Chinese mainland	RMB3,500,000,000	–	100%	Provision of network services
51	China Mobile (Suzhou) Software Technology Co., Ltd.	the Chinese mainland	RMB3,172,000,000	–	100%	Provision of Mobile Cloud research and development and operation support services
52	China Mobile E-Commerce Co., Ltd. ("China Mobile E-Commerce")	the Chinese mainland	RMB700,000,000	–	100%	Provision of epayment, e-commerce and internet finance services
53	China Mobile (Hangzhou) Information Technology Co., Ltd.	the Chinese mainland	RMB1,750,000,000	–	100%	Provision of family information products, technology research and development services
54	China Mobile Online Services Co., Ltd.	the Chinese mainland	RMB3,900,000,000	–	100%	Provision of call center and internet information services
55	MIGU Company Limited	the Chinese mainland	RMB10,400,000,000	–	100%	Provision of mobile internet digital content services
56	China Mobile TieTong Company Limited	the Chinese mainland	RMB31,880,000,000	–	100%	Provision of engineering, maintenance, sales and telecommunications services
57	China Mobile Internet Company Limited	the Chinese mainland	RMB3,000,000,000	–	100%	Provision of internet related services
58	China Mobile Investment Holdings Company Limited	the Chinese mainland	RMB3,532,920,000	–	100%	Investment holding company
59	China Mobile System Integration Co., Ltd.	the Chinese mainland	RMB1,500,000,000	–	100%	Provision of computer system integration, construction, maintenance and related technology development services
60	China Mobile (Chengdu) ICT Co., Ltd.	the Chinese mainland	RMB2,000,000,000	–	100%	Provision of information technology products and technology research and development services

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 20 SUBSIDIARIES (CONTINUED)

No.	Name of company*	Place of incorporation/ establishment and operation	Particulars of issued and paid-up capital	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
61	China Mobile (Shanghai) ICT Co., Ltd.	the Chinese mainland	RMB2,000,000,000	–	100%	Provision of information technology products and technology research and development services
62	China Mobile Financial Technology Co., Ltd.	the Chinese mainland	RMB655,410,800	–	100%	Provision of e-payment, e-commerce and internet finance services
63	China Mobile Xiong'an ICT Co., Ltd.	the Chinese mainland	RMB850,000,000	–	100%	Provision of information technology products and technology research and development services
64	Zhongyidong Information Technology Co., Ltd.	the Chinese mainland	RMB1,000,000,000	–	100%	Provision of IT solution including digital technology
65	China Mobile Information System Integration Co., Ltd.	the Chinese mainland	RMB500,000,000	–	100%	Provision of computer system integration, construction, maintenance and related technology development services
66	China Mobile Park Construction and Development Co., Ltd.	the Chinese mainland	RMB300,000,000	–	100%	Provision of infrastructure agent construction, centralised park operations, IDC operation and maintenance services
67	China Mobile (Hong Kong) Innovation Research Institute Co., Limited	Hong Kong	HK\$50,000,000	40%	60%	International product development and sales
68	China Mobile Hong Kong Treasury Company Limited ("China Mobile Treasury")	Hong Kong	HK\$10,000,000	100%	–	Corporate treasury activities
69	China Mobile Jiutian Artificial Intelligence Technology (Beijing) Co., Ltd.	the Chinese mainland	RMB1,000,000,000	–	100%	Research and experimental development
70	HKBN	Cayman Islands	HK\$147,892	–	74.84%	Provision of integrated telecom and technology solutions in Hong Kong

\* The nature of all the legal entities established in the Chinese mainland is limited liability company.

\*\* Companies registered as wholly owned foreign enterprises in the Chinese mainland.

\*\*\* Company registered as a sino-foreign equity joint venture in the Chinese mainland.

# Effective interest held by the Group is 66.41%.

No subsidiaries in which the Group have non-controlling interests are material to the Group.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 21 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

The amounts of investments accounted for using the equity method recognised in the consolidated balance sheet are as follows:

	<b>As at 31 December 2025 Million</b>	As at 31 December 2024 Million
Associates	<b>213,864</b>	197,954
Joint ventures	<b>489</b>	609
	<b>214,353</b>	198,563

#### (a) Major associates

Details of major associates, all of which are listed on exchanges, are as follows:

<b>Name of associate</b>	<b>Place of incorporation/ establishment and operation</b>	<b>Proportion of ownership interest held by the Company or its subsidiary</b>	<b>Principal activity</b>
Shanghai Pudong Development Bank Co., Ltd. ("SPD Bank")	The PRC	18%	Provision of banking services
China Tower	The PRC	28%	Provision of construction, maintenance and operation of telecommunications towers

Management has assessed and determined that the Group has significant influence over these associates, including those investments where the ownership interest held by the Group is less than 20%, taking into factors including but not limited to the Group's representation on the boards of the directors of these entities. The consistency of the accounting policies between the Group and its associates has been considered when the Group recognised its interests in these associates.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 21 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

#### (a) Major associates (Continued)

- (i) The fair values of the interests in listed associates are based on quoted market prices (level 1: unadjusted quoted price in active markets) at the balance sheet date without any deduction for transaction costs and disclosed as follows:

	As at 31 December 2025		As at 31 December 2024	
	Carrying amount Million	Fair value Million	Carrying amount Million	Fair value Million
SPD Bank	139,646	75,305	125,465	54,896
China Tower	56,889	51,320	55,461	50,978

- (ii) The Group assesses whether there is objective evidence that interests in associates are impaired at each balance sheet date.

As at 31 December 2025, the fair value of investment in SPD Bank was RMB75,305 million (as at 31 December 2024: RMB54,896 million) based on its quoted market price, which was below its carrying amount by 46.1% (as at 31 December 2024: 56.3%). The management of the Group performed an impairment assessment with the assistance of an independent external valuer and determined the recoverable amount of the investment based on its VIU. The calculation has considered pre-tax cash flow projections of SPD Bank for the five years ending 31 December 2030 with an extrapolation made to perpetuity. As at 31 December 2025, the pre-tax discount rate used to discount the cash flows to their respective net present values was 10.4%, and was based on cost of capital used to evaluate investments of similar nature in the Chinese mainland. Management judgement is required in estimating the future cash flows of SPD Bank. The key assumptions are determined with reference to external sources of information. Based on the management's assessment result, there was no impairment of the investment as at 31 December 2025.

As at 31 December 2025, the fair value of investment in China Tower was RMB51,320 million (as at 31 December 2024: RMB50,978 million) based on its quoted market price, which was below its carrying amount by 9.8% (as at 31 December 2024: 8.1%). Based on the management's assessment result, there was no impairment of the investment as at 31 December 2025.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 21 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

#### (a) Major associates (Continued)

(iii) Summarised financial information on major associates:

	<b>SPD Bank</b>	
	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>Million</b>	Million
Total assets	<b>10,081,746</b>	9,461,880
Total liabilities	<b>9,257,316</b>	8,717,099
Total equity	<b>824,430</b>	744,781
Total equity attributable to ordinary equity shareholders	<b>736,994</b>	656,410
Percentage of ownership of the Group	<b>18%</b>	18%
Total equity attributable to the Group	<b>134,166</b>	119,381
Goodwill and related acquisition adjustments	<b>5,480</b>	6,084
Interest in associates	<b>139,646</b>	125,465
	<b>China Tower</b>	
	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>Million</b>	Million
Total current assets	<b>104,069</b>	91,360
Total non-current assets	<b>232,510</b>	241,474
Total current liabilities	<b>80,565</b>	75,799
Total non-current liabilities	<b>52,106</b>	57,056
Total equity	<b>203,908</b>	199,979
Total equity attributable to equity shareholders	<b>203,906</b>	199,978
Percentage of ownership of the Group	<b>28%</b>	28%
Total equity attributable to the Group	<b>56,889</b>	55,857
Elimination of unrealised profits resulting from the transfer of Tower Assets	<b>–</b>	(396)
Interest in associates	<b>56,889</b>	55,461

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 21 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

#### (a) Major associates (Continued)

(iii) Summarised financial information on major associates (Continued):

	<b>SPD Bank</b>	
	<b>2025</b>	2024
	<b>Million</b>	Million
Revenue	<b>173,964</b>	170,748
Profit before taxation	<b>53,374</b>	48,366
Profit attributable to the equity shareholders of the company	<b>50,017</b>	45,257
Other comprehensive income attributable to the equity shareholders of the company	<b>Note</b>	10,929
Total comprehensive income attributable to the equity shareholders of the company	<b>Note</b>	56,186
Dividends received from associates	<b>2,187</b>	1,713
	<b>China Tower</b>	
	<b>2025</b>	2024
	<b>Million</b>	Million
Revenue	<b>100,411</b>	97,772
Profit before taxation	<b>15,365</b>	14,119
Profit attributable to the equity shareholders of the company	<b>11,630</b>	10,729
Other comprehensive loss attributable to the equity shareholders of the company	<b>(2)</b>	(3)
Total comprehensive income attributable to the equity shareholders of the company	<b>11,628</b>	10,726
Dividends received from associates	<b>2,165</b>	2,374

Note: Up to the approval date of these financial statements, SPD Bank has not yet disclosed their annual financial statements for the year ended 31 December 2025. The numbers presented in the table above are extracted from financial information which was released and publicly disclosed by SPD Bank, with some information such as other comprehensive income attributable to the equity shareholders of the company and total comprehensive income attributable to the equity shareholders of the company not being disclosed.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 21 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

#### (b) Immaterial associates and joint ventures

The aggregate carrying amount of investments in other associates and joint ventures and related financial information are not material to the Group.

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the investments in associates and joint ventures may be impaired. If any such indication exists, the investment's recoverable amount is estimated, and the carrying amounts of the investment was reduced to its recoverable amount with an impairment loss recognised in profit or loss.

#### (c) Investments in a joint operation

To efficiently enhance its 5G network coverage, the Group entered into a series of collaboration agreements with CBN to co-construct and share 700MHz 5G wireless network (the "Co-construction and Sharing Agreement"). In accordance with the Co-construction and Sharing Agreement, the parties shall co-construct and share 700MHz wireless network (including but not limited to base stations and antennas) based on all 700MHz frequency bands of the radio spectrum in respect of which CBN had been permitted to use by relevant national departments. The parties shall jointly determine network construction plans. Without consent from the other party, any party may not dispose of (including transfer, mortgage or pledge, etc) all or any of the 700MHz wireless network assets within the scope of collaboration. The Group initially bear the construction costs of the 700MHz 5G wireless network within the agreed scope under the Co-construction and Sharing Agreement and shall initially own the assets underlying the said wireless network. CBN shall pay the Group network usage fees based on fair and reasonable negotiations. Therefore, both parties have the right to use the 700MHz wireless network. Subject to compliance with applicable laws, regulations and regulatory requirements, CBN may purchase 50% of the 700MHz 5G wireless network assets from the Group by stages, at the then assessed fair value.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 22 DEFERRED TAX ASSETS AND LIABILITIES

The components of deferred tax assets and liabilities recognised and the movements during the year ended 31 December 2025 are as follows:

	As at 1 January 2025 Million	(Charged)/ credited to profit or loss Million	Business combination other than common control Million	Charged to other comprehensive income Million	Exchange differences Million	As at 31 December 2025 Million
<b>Deferred tax assets before offsetting:</b>						
Write-down of obsolete inventories	69	(8)	-	-	-	61
Depreciation, amortisation, write-off and impairment of property, plant and equipment and other intangible assets	9,728	284	-	-	-	10,012
Accrued expenses	28,165	910	-	-	-	29,075
Unredeemed Reward Program	3,799	(1,334)	-	-	-	2,465
Expected credit impairment losses	6,759	1,403	-	-	-	8,162
Lease liabilities	18,880	(738)	-	-	-	18,142
Others	9,597	1,422	140	-	(2)	11,157
	76,997	1,939	140	-	(2)	79,074
<b>Deferred tax liabilities before offsetting:</b>						
Change in value of financial assets measured at FVPL	(6,240)	(1,856)	-	-	-	(8,096)
Accelerated depreciation of property, plant and equipment	(5,151)	573	(197)	-	31	(4,744)
Right-of-use assets	(17,867)	818	-	-	-	(17,049)
Fair value adjustment arising from business combination other than common control	-	8	(1,080)	-	-	(1,072)
Others	(861)	39	-	(79)	4	(897)
	(30,119)	(418)	(1,277)	(79)	35	(31,858)
Total	46,878	1,521	(1,137)	(79)	33	47,216

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 22 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The components of deferred tax assets and liabilities recognised and the movements during the year ended 31 December 2024 are as follows:

	As at 1 January 2024 Million	(Charged)/ credited to profit or loss Million	Charged to other comprehensive income Million	Exchange differences Million	As at 31 December 2024 Million
<b>Deferred tax assets before offsetting:</b>					
Write-down of obsolete inventories	74	(5)	-	-	69
Depreciation, amortisation, write-off and impairment of property, plant and equipment and other intangible assets	9,338	390	-	-	9,728
Accrued expenses	24,649	3,516	-	-	28,165
Unredeemed Reward Program	6,511	(2,712)	-	-	3,799
Expected credit impairment losses	4,248	2,511	-	-	6,759
Lease liabilities	22,229	(3,349)	-	-	18,880
Others	9,381	213	-	3	9,597
	76,430	564	-	3	76,997
<b>Deferred tax liabilities before offsetting:</b>					
Change in value of financial assets measured at FVPL	(4,425)	(1,815)	-	-	(6,240)
Accelerated depreciation of property, plant and equipment	(5,420)	294	-	(25)	(5,151)
Right-of-use assets	(21,589)	3,722	-	-	(17,867)
Others	(736)	87	(211)	(1)	(861)
	(32,170)	2,288	(211)	(26)	(30,119)
Total	44,260	2,852	(211)	(23)	46,878

The net amounts of deferred tax assets and deferred tax liabilities after offsetting are as follows:

	As at 31 December 2025		As at 31 December 2024	
	Offsetting amount	Amount after offsetting	Offsetting amount	Amount after offsetting
Deferred tax assets	(26,977)	52,097	(26,242)	50,755
Deferred tax liabilities	26,977	(4,881)	26,242	(3,877)

Deferred tax assets are recognised for deductible temporary differences and tax losses carry-forwards only to the extent that the realisation of the related tax benefit through future taxable profits is probable. Certain subsidiaries of the Group did not recognise deferred tax assets of RMB14,040 million (2024: RMB14,460 million) in respect of deductible temporary differences and tax losses amounting to RMB71,333 million (2024: RMB74,613 million) that can be carried forward against future taxable income as at 31 December 2025. The deductible tax losses of entities in the Chinese mainland are allowed to be carried forward within next five years against future taxable profits, while those of high-tech enterprises are allowed to be within next ten years, and entities operating in Hong Kong can carry forward tax losses for unlimited period.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### (a) Methods of determining fair value of financial instruments

The following table presents the fair value and fair value hierarchy of the Group's financial instruments measured at the end of the reporting period on a recurring basis. The level into which a fair value measurement is classified is determined with reference to the lowest level input that is significant to the entire measurement. The different levels have been defined as follows:

- Level 1 valuations: unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: observable inputs which fail to meet Level 1, and not using significant unobservable inputs.
- Level 3 valuations: fair value measured using significant unobservable inputs.

#### (b) Assets measured at fair value on a recurring basis

The following table presents the Group's assets that are measured at fair value at 31 December 2025:

	Level 1 Million	Level 2 Million	Level 3 Million	Total Million
Financial assets measured at FVPL				
Wealth management products ("WMPs")	–	–	261,726	261,726
Asset management plans	–	–	59,983	59,983
Bond funds and monetary funds	66,065	–	–	66,065
Equity investments and others	–	–	1,673	1,673
	66,065	–	323,382	389,447
Financial assets measured at FVOCI	32,122	–	956	33,078
Total	98,187	–	324,338	422,525

The following table presents the Group's assets that are measured at fair value at 31 December 2024:

	Level 1 Million	Level 2 Million	Level 3 Million	Total Million
Financial assets measured at FVPL				
WMPs	–	–	240,130	240,130
Asset management plans	–	–	53,164	53,164
Bond funds	57,784	–	–	57,784
CB	9,903	–	–	9,903
Equity investments and others	98	–	1,537	1,635
	67,785	–	294,831	362,616
Financial assets measured at FVOCI	13,719	–	209	13,928
Total	81,504	–	295,040	376,544

Note: The Group's asset management plans are issued by domestic public offering funds, securities companies and other financial institutions investing in low or medium risk underlying assets, which mainly consist of money market instruments, PRC treasury bonds, central bank bills, local government debts, corporate bonds or debts with high credit ratings, debt assets and some stock investments.

In 2025, the majority of the CB held by the Group, with principal of RMB8,990 million, were converted into SPD Bank's common stock to maintain the Group's ownership interest at approximately 18%.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) Valuation techniques used and the qualitative information of key parameters for fair value measurements categorised as Level 3

The financial assets categorised into Level 3 mainly represented wealth management products, asset management plans and unlisted equity investments. The fair value of wealth management products and asset management plans is determined based on their net asset value provided by the counterparty financial institutions as at the end of the reporting period, where the significant unobservable inputs are the net assets. The relationship of unobservable inputs to fair value is positive correlation. The fair value of unlisted equity investments is measured using the market approach, where the significant unobservable inputs are the liquidity discount of similar financial instruments. The relationship of unobservable inputs to fair value is negative correlation.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	As at 31 December 2024 Million	Purchase/ transfer Million	Disposal/ transfer Million	Recognised in profit or loss Million	Recognised in other comprehensive income Million	As at 31 December 2025 Million
Financial assets measured at FVPL	294,831	48,646	(30,310)	10,215	–	323,382
Financial assets measured at FVOCI	209	700	–	–	47	956
	295,040	49,346	(30,310)	10,215	47	324,338

#### (d) Transfers between Levels

There were no transfers between the levels of fair value hierarchy for the year ended 31 December 2025 and 2024.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 24 OTHER FINANCIAL ASSETS MEASURED AT AMORTISED COST

	As at 31 December 2025			As at 31 December 2024		
	Non-current assets Million	Current assets Million	Total Million	Non-current assets Million	Current assets Million	Total Million
Other financial assets measured at amortised cost						
– PRC treasury bonds	5,234	–	5,234	5,239	–	5,239
– Other debt instrument investments	1,806	5,424	7,230	2,092	11,306	13,398
	7,040	5,424	12,464	7,331	11,306	18,637

PRC treasury bonds will mature in 2052 and bear a fixed coupon rate of 3.32% and effective interest rates of 3.08% to 3.11% per annum, with the aggregated principal amounted to RMB5,000 million as at 31 December 2025 (31 December 2024: RMB5,000 million).

Other debt instrument investments mainly include various debt instrument investments to banks and other financial institutions.

### 25 BANK DEPOSITS

	Note	As at 31 December 2025			As at 31 December 2024		
		Non-current assets Million	Current assets Million	Total Million	Non-current assets Million	Current assets Million	Total Million
Term deposits	(i)	51,579	70,822	122,401	45,764	72,265	118,029
Restricted bank deposits	(ii)	10,106	3,005	13,111	8,649	2,701	11,350
		61,685	73,827	135,512	54,413	74,966	129,379

Note:

- (i) The item represents deposits with banks with original maturity exceeding three months. The applicable interest rate is determined in accordance with the benchmark interest rate published by the People's Bank of China ("PBOC") or with reference to the market interest rate. As at 31 December 2025, interest receivable amounting to RMB3,210 million (as at 31 December 2024: RMB3,740 million) was included in the item.
- (ii) As at 31 December 2025 and 2024, restricted bank deposits included in non-current assets were mainly about the statutory deposit reserves by China Mobile Finance in accordance with relevant requirements of PBOC, which are not available for use in the Group's daily operations.

As at 31 December 2025 and 2024, restricted bank deposits included in current assets were mainly about the deposited customer reserves, performance bonds and others.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 26 OTHER NON-CURRENT ASSETS

	<b>As at 31 December 2025 Million</b>	As at 31 December 2024 Million
Contract assets (note 28)	<b>5,506</b>	4,460
Contract costs (Note)	<b>33,166</b>	24,522
Long-term prepaid expenses	<b>5,680</b>	5,435
Others	<b>14,479</b>	13,087
	<b>58,831</b>	47,504

Note: Contract costs capitalised mainly related to the relevant costs incurred for the customers accessing to the Group's telecommunications network (such as wireline broadband access). As at 31 December 2025, capitalised contract costs that are expected to be amortised exceeding one year amounted to RMB12,385 million (as at 31 December 2024: RMB8,790 million). For the year ended 31 December 2025, the amortisation of capitalised contract costs amounted to RMB29,531 million (2024: RMB25,943 million).

### 27 INVENTORIES

	<b>As at 31 December 2025 Million</b>	As at 31 December 2024 Million
Handsets and other terminals	<b>13,782</b>	8,724
Others	<b>2,831</b>	2,505
	<b>16,613</b>	11,229

### 28 CONTRACT ASSETS

	<b>As at 31 December 2025 Million</b>	As at 31 December 2024 Million
Contract assets	<b>26,763</b>	26,249
Loss allowance	<b>(1,079)</b>	(1,124)
	<b>25,684</b>	25,125
Less: non-current portion included in other non-current assets	<b>(5,506)</b>	(4,460)
	<b>20,178</b>	20,665

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 29 ACCOUNTS RECEIVABLE

#### (a) Aging analysis

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

	<b>As at 31 December 2025 Million</b>	As at 31 December 2024 Million
<b>Base on invoice date:</b>		
Within 30 days	<b>29,343</b>	23,330
31–60 days	<b>12,266</b>	8,036
61–90 days	<b>8,007</b>	6,220
91 days–1 year	<b>34,077</b>	28,818
Over 1 year	<b>16,069</b>	9,337
	<b>99,762</b>	75,741

The accounts receivable of the Group are primarily comprised of receivables due from customers and other telecommunications operators.

#### (b) Expected credit impairment loss allowance of accounts receivable

The following table summarises the changes in expected credit impairment loss allowance of accounts receivable:

	<b>2025 Million</b>	2024 Million
As at 1 January	<b>35,463</b>	23,639
Recognised	<b>8,217</b>	13,364
Written-off	<b>(2,176)</b>	(1,540)
As at 31 December	<b>41,504</b>	35,463

### 30 OTHER NON-FINANCIAL ASSETS

	<b>As at 31 December 2025 Million</b>	As at 31 December 2024 Million
Prepaid VAT and input VAT to be deducted, etc.	<b>14,186</b>	18,844
Others	<b>9,949</b>	9,117
	<b>24,135</b>	27,961

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 31 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

#### (a) Cash and cash equivalents comprise:

	As at 31 December 2025 Million	As at 31 December 2024 Million
Bank deposits with original maturity within three months	35,033	78,896
Cash at banks and on hand	62,234	88,413
	<b>97,267</b>	167,309

#### (b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flow as cash flows from financing activities.

	Bank and other borrowings (note 32) Million	Lease liabilities (note 17(c)) Million	Short-term deposits in China Mobile Finance Group (note 36) Million	Others Million	Total Million
<b>As at 1 January 2025</b>	-	88,442	18,884	581	107,907
<b>Changes from financing cash flows:</b>					
Proceeds received from bank and other borrowings	9,848	-	-	-	9,848
Repayment of bank and other borrowings	(10,251)	-	-	-	(10,251)
Repayment of principal and interest of lease liabilities	-	(33,798)	-	-	(33,798)
Net receipts of short-term deposits placed by CMCC Group	-	-	21,115	-	21,115
Interest paid	-	-	(426)	(323)	(749)
Others	-	-	-	(68)	(68)
Total changes from financing cash flows:	(403)	(33,798)	20,689	(391)	(13,903)
<b>Other changes:</b>					
Business combination other than common control	10,151	358	-	-	10,509
Net increase in lease liabilities from addition/derecognition during the year	-	29,092	-	-	29,092
Interest expenses	-	2,751	432	330	3,513
Others	-	4,604	-	181	4,785
Total other changes	10,151	36,805	432	511	47,899
<b>As at 31 December 2025</b>	<b>9,748</b>	<b>91,449</b>	<b>40,005</b>	<b>701</b>	<b>141,903</b>

For the year ended 31 December 2024, there are no changes in liabilities arising from financing activities other than the receipts and repayment of short-term deposits placed by CMCC Group (note 41(a)), the initial recognition of lease liabilities at the commencement date, and repayment of the related principal and interest associated with lease liabilities.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 32 BANK AND OTHER BORROWINGS

	Note	As at 31 December 2025 Million	As at 31 December 2024 Million
Unsecured Loans	(a)	9,748	–

(a) As at 31 December 2025, bank and other borrowings mainly include unsecured loans bear interest rate at HIBOR plus a margin of 0.4% per annum and will mature through 2030.

### 33 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	As at 31 December 2025 Million	As at 31 December 2024 Million
Accounts payable	173,725	205,855
Accrued expenses	160,374	148,486
	<b>334,099</b>	354,341

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 31 December 2025 Million	As at 31 December 2024 Million
<b>Base on invoice date:</b>		
Within 180 days	92,513	128,970
181 days–1 year	34,454	33,867
Over 1 year	46,758	43,018
	<b>173,725</b>	205,855

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

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 34 CONTRACT LIABILITIES

	<b>As at 31 December 2025 Million</b>	As at 31 December 2024 Million
Non-refundable prepaid service fees	<b>23,273</b>	22,437
Unredeemed Reward Program	<b>11,745</b>	17,737
Unused data traffic carried over	<b>11,040</b>	12,845
Others	<b>4,751</b>	2,847
	<b>50,809</b>	55,866
Less: non-current portion	<b>(1,194)</b>	(902)
	<b>49,615</b>	54,964

Contract liabilities would be recognised as operating revenue upon the rendering of services. Almost all of the contract liability balance as at 31 December 2025 was recognised as operating revenue in the consolidated statement of comprehensive income within one year.

### 35 RECEIPTS IN ADVANCE

This item mainly includes refundable prepaid service fees received from customers in advance of providing the services or products promised in the contract.

### 36 OTHER PAYABLES

	<b>As at 31 December 2025 Million</b>	As at 31 December 2024 Million
Short-term deposits in China Mobile Finance	<b>40,005</b>	18,884
Deposits and retentions	<b>11,737</b>	11,853
Accrued salaries, wages and other benefits	<b>5,768</b>	5,779
Others	<b>16,789</b>	16,881
	<b>74,299</b>	53,397

Short-term deposits in China Mobile Finance primarily comprises the short-term deposits placed by CMCC and its subsidiaries excluding the Group ("CMCC Group") in China Mobile Finance and the corresponding interest payable. The deposits are unsecured and carry interest at prevailing market rate.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 37 DEFERRED REVENUE

	<b>2025</b>	2024
	<b>Million</b>	Million
As at 1 January	<b>9,274</b>	9,281
Additions during the year	<b>2,258</b>	3,137
Recognised in the consolidated statement of comprehensive income	<b>(2,388)</b>	(3,144)
As at 31 December	<b>9,144</b>	9,274

### 38 SHARE-BASED PAYMENT

At the Company's Annual General Meeting ("AGM") held on 20 May 2020, the shareholders of the Company approved the adoption of the Share Option Scheme (the "Scheme"), for the grant of share options ("Share Options") to qualified participants.

The maximum number of shares to be issued upon the exercise of the Share Options granted under the Scheme shall not in aggregate exceed 10% of the total share capital of the Company as at the date of approval of the Scheme at a general meeting of shareholders.

The exercise price of options shall be determined in accordance with the fair market price principle, with the base day for pricing being the Grant Date. The exercise price shall not be lower than the higher of the following prices: (i) the closing price of the Shares on the Grant Date; and (ii) the average closing price of the Shares on the HKEX for the five trading days prior to the Grant Date. Subject to the satisfaction of the conditions for vesting as provided under the Scheme, the Share Options granted shall be vested in three batches as follows: (i) the first batch (being 40% of the Share Options granted) will be vested on the first trading day after 24 months from the Grant Date; (ii) the second batch (being 30% of the Share Options granted) will be vested on the first trading day after 36 months from the Grant Date; and (iii) the third batch (being 30% of the Share Options granted) will be vested on the first trading day after 48 months from the Grant Date. Vesting period ends ten years from the Grant Date.

Participants are backbone management, technical and business personnel who have a direct impact on the Company's operating performance and sustainable development. No Share Options had been granted to the directors, chief executive or substantial shareholders of the Company or any of their related parties.

On 12 June 2020 (the "First Grant"), the Board of Directors of the Company approved the grant of Share Options representing an aggregate of 305,601,702 shares to 9,914 participants of the Scheme pursuant to the aforementioned authorisation, which represented 1.5% of the Company's issued share capital at then. The exercise price was HK\$55.00 per share.

On 19 September 2022 (the "Second Grant"), the Board of Directors of the Company approved the grant of Share Options representing an aggregate of 607,649,999 shares to 10,988 participants of the Scheme pursuant to the aforementioned authorisation, which represented 2.8% of the Company's issued share capital at then. The exercise price was HK\$51.60 per share.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 38 SHARE-BASED PAYMENT (CONTINUED)

For the year ended 31 December 2025, share options compensation expenses recorded in profit or loss amounted to RMB200 million (2024: RMB489 million).

#### (a) Movements in share options

Movements in the numbers of share options outstanding and their related weighted average exercise prices are as follows:

	<b>Share option scheme</b>	
	<b>Average exercise prices</b>	<b>Numbers of options</b>
As at 1 January 2024	HK\$52.55	840,058,333
Exercised	HK\$53.98	(129,542,125)
Forfeited	HK\$52.76	(35,019,553)
As at 31 December 2024	HK\$52.27	675,496,655
Vested and exercisable as at 31 December 2024	HK\$53.01	318,861,002
As at 1 January 2025	<b>HK\$52.27</b>	<b>675,496,655</b>
Exercised	<b>HK\$53.03</b>	<b>(127,289,175)</b>
Forfeited	<b>HK\$51.64</b>	<b>(18,513,462)</b>
As at 31 December 2025	<b>HK\$52.11</b>	<b>529,694,018</b>
Vested and exercisable as at 31 December 2025	<b>HK\$52.35</b>	<b>354,965,721</b>

163,650,676 options were vested and exercisable after the satisfaction of the conditions for vesting during the year (2024: 298,580,275).

The weighted average share price at the date of exercise for share options exercised during the year was HK\$83.07 (2024: HK\$73.41).

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 38 SHARE-BASED PAYMENT (CONTINUED)

#### (b) Share options outstanding

Details of the expiry dates, exercise prices and the respective numbers of share options which remained outstanding as at 31 December 2025 and 2024 are as follows:

Grant Date	Normal exercise period	Exercise price	No. of shares involved in the options outstanding as at 31 December 2025	No. of shares involved in the options outstanding as at 31 December 2024
12 June 2020	12 June 2022-12 June 2030	HK\$55.00	18,269,817	35,828,473
12 June 2020	12 June 2023-12 June 2030	HK\$55.00	24,435,108	40,595,184
12 June 2020	12 June 2024-12 June 2030	HK\$55.00	36,076,538	55,984,423
19 September 2022	19 September 2024 – 19 September 2032	HK\$51.60	126,069,816	186,452,922
19 September 2022	19 September 2025 – 19 September 2032	HK\$51.60	150,114,442	178,317,818
19 September 2022	19 September 2026 – 19 September 2032	HK\$51.60	174,728,297	178,317,835

The options outstanding as at 31 December 2025 had a weighted average remaining contractual life of 6.4 years (as at 31 December 2024: 7.3 years).

#### (c) Fair value of share options

The Company used the Binomial Model to determine the fair value of the Share Options as at the Grant Date, which is to be recorded in profit or loss over the vesting period.

The weighted average fair value of the Share Options granted by the Company was HK\$4.00 per share (the First Grant) and HK\$3.28 per share (the Second Grant). The model inputs to determine the fair value of Share Options granted included:

	Granted on 12 June 2020 the First Grant	Granted on 19 September 2022 the Second Grant
Exercise prices	HK\$55.00	HK\$51.60
The closing price at the Grant Date	HK\$54.25	HK\$51.45
Risk-free interest rate	0.65%	3.34%
Expected dividend yield	5.90%	9.04%
Expected volatility (Note)	21.34%	22.23%

Note: The expected volatility is determined based on the historical average daily trading price volatility of the shares of the Company.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 39 CAPITAL, RESERVES AND DIVIDENDS

#### (a) Share capital

	Note	Number of shares	RMB Million
Ordinary shares, issued and fully paid:			
As at 1 January 2024		21,390,880,312	455,001
Exercise of share options	(i)	129,542,125	6,837
Purchase of own shares	(ii)	(3,105,000)	—
As at 31 December 2024		21,517,317,437	461,838
As at 1 January 2025		<b>21,517,317,437</b>	<b>461,838</b>
Exercise of share options	(i)	<b>127,289,175</b>	<b>6,607</b>
As at 31 December 2025		<b>21,644,606,612</b>	<b>468,445</b>
Of which: Shares listed on the HKEX		<b>20,741,838,745</b>	
Shares listed on the SHEX		<b>902,767,867</b>	

Note:

- (i) In 2025, share options were exercised to subscribe for 127,289,175 shares (2024 : 129,542,125 shares) listed on the HKEX at a consideration of HK\$6,750 million (equivalent to RMB6,197 million) (2024: HK\$6,993 million (equivalent to RMB6,392 million)) which was credited to share capital. RMB410 million (2024: RMB445 million) has been transferred from the capital reserve account to the share capital account in accordance with the policy set out in note 2(w)(iii).
- (ii) In 2024, the Company repurchased and cancelled its own 3,105,000 shares listed on the HKEX, with the price paid between HK\$63.05 and HK\$70.25 per share. The aggregate amount paid was HK\$206 million (equivalent to RMB188 million). Such buy-backs were financed out of the Company's distributable profits, as a result, the aforesaid buy-backs were reduced from the Company's retained profits, in accordance with the requirements of HKCO.
- (iii) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (b) Dividends

##### (i) Dividends attributable to the year:

	2025 Million	2024 Million
Ordinary interim dividend declared and paid of HK\$2.750 (equivalent to approximately RMB2.508) (2024: HK\$2.600 (equivalent to approximately RMB2.373)) per share	54,266	50,534
Ordinary final dividend proposed after the balance sheet date of HK\$2.520 (equivalent to approximately RMB2.276) (2024: HK\$2.490 (equivalent to approximately RMB2.306)) per share	49,266	49,615
	<b>103,532</b>	100,149

The proposed/approved ordinary final dividend/ordinary interim dividend per share, which is declared in Hong Kong dollar, is translated into RMB with reference to the exchange rate, being the respective rate announced by the State Administration of Foreign Exchange in the PRC on 31 December 2025 and 30 June 2025 (2024: 31 December 2024 and 28 June 2024).

As the ordinary final dividend was declared after the balance sheet date, such dividend is not recognised as liability as at 31 December 2025. 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 2025 final 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.

##### (ii) Dividends attributable to the previous financial year, approved and paid during the year:

	2025 Million	2024 Million
Ordinary final dividend in respect of the previous financial year, approved and paid during the year, of HK\$2.490 (equivalent to approximately RMB2.306) (2024: HK\$2.400 (equivalent to approximately RMB2.175)) per share	49,144	46,924

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (c) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital Million	Capital reserve Million	Retained profits Million	Total equity Million
<b>As at 1 January 2024</b>	455,001	1,743	90,355	547,099
<b>Changes in equity for 2024:</b>				
Profit for the year	–	–	97,618	97,618
Total comprehensive income for the year	–	–	97,618	97,618
Dividends approved in respect of previous year (note 39(b)(ii))	–	–	(46,924)	(46,924)
Dividends declared in respect of current year (note 39(b)(i))	–	–	(50,534)	(50,534)
Purchase of own shares (note 39(a)(ii))	–	–	(188)	(188)
Exercise of share options (note 39(a)(i))	6,837	(445)	–	6,392
Share option scheme – Value of share options (note 38)	–	489	–	489
<b>As at 31 December 2024</b>	461,838	1,787	90,327	553,952
<b>As at 1 January 2025</b>	<b>461,838</b>	<b>1,787</b>	<b>90,327</b>	<b>553,952</b>
<b>Changes in equity for 2025:</b>				
Profit for the year	–	–	<b>108,449</b>	<b>108,449</b>
Total comprehensive income for the year	–	–	<b>108,449</b>	<b>108,449</b>
Dividends approved in respect of previous year (note 39(b)(ii))	–	–	<b>(49,144)</b>	<b>(49,144)</b>
Dividends declared in respect of current year (note 39(b)(i))	–	–	<b>(54,266)</b>	<b>(54,266)</b>
Exercise of share options (note 39(a)(i))	<b>6,607</b>	<b>(410)</b>	–	<b>6,197</b>
Share option scheme – Value of share options (note 38)	–	<b>200</b>	–	<b>200</b>
<b>As at 31 December 2025</b>	<b>468,445</b>	<b>1,577</b>	<b>95,366</b>	<b>565,388</b>

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (d) Nature and purpose of different reserves

##### (i) Capital reserve

The capital reserve mainly comprises the following:

- RMB295,665 million debit balance brought forward as a result of the elimination of goodwill arising on the acquisition of subsidiaries before 1 January 2001 against the capital reserve;
- The difference between the consideration and the carrying amounts of net assets of acquired business under business combinations under common control; and
- The fair value of share options granted to employees of the Group that are recognised in accordance with the accounting policy in note 2 (w)(iii).

##### (ii) PRC statutory reserves

PRC statutory reserves mainly include statutory surplus reserve and discretionary surplus reserve.

In accordance with the Company Law of the PRC, domestic enterprises in the Chinese mainland are required to transfer 10% of their profit after taxation, as determined under accounting principles generally accepted in the PRC ("PRC GAAP"), to the statutory surplus reserve until such reserve balance reaches 50% of the registered capital of relevant mainland subsidiaries. Moreover, upon a resolution made by the shareholders, a certain percentage of domestic enterprises' profit after taxation, as determined under PRC GAAP, is transferred to the discretionary surplus reserve. During the year, appropriations were made by such subsidiaries to the statutory surplus reserves and discretionary surplus reserves (if applicable) accordingly.

The statutory and discretionary surplus reserves can be used to reduce previous years' losses, if any, and may be converted into paid-up capital, provided that the statutory reserve after such conversion is not less than 25% of the registered capital of relevant subsidiaries.

##### (iii) Other reserves

Other reserves mainly comprises the following:

- in accordance with relevant regulations issued by the Ministry of Finance of the PRC, a subsidiary of the Company, China Mobile Finance, is required to set aside a reserve through appropriations of profit after tax according to a certain ratio of the ending balance of its gross risk-bearing assets to cover potential losses against such assets;
- share of other comprehensive income/(loss) of investments accounted for using the equity method; and
- the changes in fair value of financial assets measured at FVOCI, net of tax, until the financial assets are derecognised;

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (d) Nature and purpose of different reserves (Continued)

##### (iv) Exchange reserve

The exchange reserve comprises all foreign currency translation differences arising from the translation of foreign currency denominated financial statements of overseas enterprises. The reserve is dealt with in accordance with the accounting policies set out in note 2(y).

#### (e) Capital management

The Group's primary objectives of capital management are to maintain a reasonable capital structure and to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders. The Group actively and regularly reviews and manages its capital structure to stabilise the capital position and prevent operation risk. Meanwhile, the Group will maximise the shareholders' return and will make adjustment on the capital structure in accordance with the changes in economic conditions.

The Group monitors capital on the basis of liabilities-to-assets ratio. This ratio is calculated as total liabilities divided by total assets. At the end of reporting period, the Group's liabilities-to-assets ratio is as follows:

	<b>As at 31 December 2025 Million</b>	As at 31 December 2024 Million
Total assets	<b>2,128,182</b>	2,108,127
Total liabilities	<b>695,331</b>	711,588
Liabilities-to-assets ratio	<b>32.7%</b>	33.8%

Except for China Mobile Finance that is subject to certain capital requirements imposed by National Financial Regulatory Administration, the Company and its other subsidiaries are not subject to externally imposed capital requirements.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 40 BALANCE SHEET OF THE COMPANY

	Note	As at 31 December 2025 Million	As at 31 December 2024 Million
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1	1
Right-of-use assets		35	–
Investments accounted for using the equity method		19	19
Investments in subsidiaries		548,048	547,848
		<b>548,103</b>	547,868
<b>Current assets</b>			
Other receivables		20,767	10,166
Prepayments		2	3
Bank deposits		1,315	1,067
Cash and cash equivalents		3,275	3,293
		<b>25,359</b>	14,529
<b>Total assets</b>		<b>573,462</b>	562,397
<b>Equity and liabilities</b>			
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		23	–
<b>Current liabilities</b>			
Other payables		7,973	8,379
Lease liabilities		11	–
Income tax payable		67	66
		<b>8,051</b>	8,445
<b>Total liabilities</b>		<b>8,074</b>	8,445
<b>Equity</b>			
Share capital	39(a)	468,445	461,838
Reserves	39(c)	96,943	92,114
<b>Total equity</b>		<b>565,388</b>	553,952
<b>Total equity and liabilities</b>		<b>573,462</b>	562,397

The balance sheet of the Company was approved by the Board of Directors on 26 March 2026 and was signed on its behalf.

**Chen Zhongyue**  
Name of Director

**Li Ronghua**  
Name of Director

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 41 RELATED PARTY TRANSACTIONS

#### (a) Transactions with CMCC Group

The following is a summary of principal related party transactions entered into by the Group with CMCC and its subsidiaries excluding the Group ("CMCC Group") for the years ended 31 December 2025 and 2024. The majority of these transactions also constitute continuing connected transactions as defined under Chapter 14A of Listing Rules. Further details of these continuing connected transactions are disclosed under the paragraph "Continuing Connected Transactions" in the Report of Directors.

	Note	2025 Million	2024 Million
Revenue from telecommunications facilities construction services	(i)	1,662	1,243
Revenue from comprehensive support services	(ii)	2,990	2,113
Technical support services charges	(iii)	1,271	1,567
Additions of right-of-use assets	(iv)	11,230	2,676
Related costs for lease of network assets and property	(iv)	15,343	14,570
Interest expenses	(v)	432	84
Net receipts of short-term deposits	(v)	21,115	15,472

The outstanding balances related to transactions with CMCC Group are included in the following accounts captions summarised as follows:

	As at 31 December 2025 Million	As at 31 December 2024 Million
Accounts receivable	2,233	1,623
Other receivables	68	54
Prepayments	145	82
Right-of-use assets	9,687	3,825
Lease liabilities	14,013	6,831
Accounts payable and accrued expenses	23,570	20,912
Receipts in advance	16	24
Other payables	40,279	19,226

The amounts arise in the ordinary course of business and with terms determined through mutual negotiation which are fair and reasonable.

Note:

- (i) The Group provides telecommunications facilities construction services to CMCC Group for the telecommunications project planning, design, construction, maintenance and other services.
- (ii) The Group provides comprehensive management, support and other services to CMCC Group.
- (iii) The Group purchases technical support and other services from CMCC Group.
- (iv) The amounts primarily represent the additions of right-of-use assets/the charges to CMCC Group for the lease of machinery rooms and transmission pipelines, power support and other network assets and resources, offices and retail outlets.

For the year ended 31 December 2025, the Group recognised the right-of-use assets for the lease of machinery rooms and transmission pipelines amounting to RMB10,646 million (2024: RMB2,570 million), and recognised the right-of-use assets for the lease of offices and retail outlets amounting to RMB584 million (2024: RMB106 million). Related costs for lease of machinery rooms and transmission pipelines include finance costs associated with the lease liabilities amounting to RMB295 million (2024: RMB89 million), the depreciation of right-of-use assets and other charges amounting to RMB3,301 million (2024: RMB3,143 million). Related costs for lease of power support and other network assets and resources amounting to RMB9,213 million (2024: RMB9,744 million). Related costs for lease of offices and retail outlets include finance costs associated with the lease liabilities amounting to RMB41 million (2024: RMB42 million), the depreciation of right-of-use assets and other charges amounting to RMB2,493 million (2024: RMB1,552 million).

- (v) The amounts represent the deposits received from or repaid to CMCC Group and related interest expenses. The interest rate of short-term deposits is negotiated based on the benchmark interest rate published by the People's Bank of China ("PBOC").

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 41 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Principal transactions with associates and joint ventures of the Group

The following is a summary of principal related party transactions entered into by the Group with the associates and joint ventures of the Group for the year ended 31 December 2025 and 2024, the terms of which are fair and reasonable.

	Note	2025 Million	2024 Million
Revenue from telecommunications services	(i)	1,922	1,586
Telecommunications services charges	(i)	73	226
Technical support services charges and terminal purchases	(ii)	7,515	4,480
Property leasing and management services revenue	(iii)	39	31
Dividend received		4,960	4,906
Related costs for use of tower assets	(iv)	39,812	40,376
Additions of right-of-use assets	(iv)	3,854	5,256
Decrease in cash, cash equivalents and bank deposits	(v)	(31,907)	(5,147)
Purchase of other financial assets measured at amortised cost	(vi)	1,470	–
Disposal of other financial assets measured at amortised cost	(vi)	–	(200)
Purchase of financial assets measured at FVPL	(vii)	12,500	2,100
Disposal of financial assets measured at FVPL	(vii)	2,606	7,600
Interest and other income	(viii)	2,131	2,787
Conversion of CB into an associate's common stock	(ix)	9,937	–

The outstanding balances related to transactions with the associates and joint ventures of the Group are included in the following accounts captions summarised as follows:

	As at 31 December 2025 Million	As at 31 December 2024 Million
Accounts receivable	655	413
Right-of-use assets	29,843	42,230
Other receivables	62	62
Cash, cash equivalents and bank deposits	34,798	66,705
Other financial assets measured at amortised cost	1,495	–
Financial assets measured at FVPL	29,191	28,156
Prepayments	246	166
Lease liabilities	38,114	46,468
Accounts payable and accrued expenses	25,356	16,175
Bills payable	7,814	21,922
Receipts in advance	18	14
Other payables	85	40

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 41 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Principal transactions with associates and joint ventures of the Group (Continued)

Note:

- (i) The Group provides/purchases telecommunications services to/from Group's associates and joint ventures for the telecommunications project planning, design and construction services and telecommunications services.
- (ii) The Group purchases technical support and other services and terminals from the Group's associates.
- (iii) The Group provides property leasing and management service to China Tower and other associates.
- (iv) The amounts primarily represent the related costs for tower assets leasing and other service charges/the additions of right-of-use assets. For the year ended 31 December 2025, related costs for use of tower assets include the depreciation of right-of-use assets amounting to RMB14,117 million (2024: RMB13,897 million), charges for use of tower assets and finance costs associated with the lease liabilities amounting to RMB23,857 million (2024: RMB25,236 million), other service charges amounting to RMB1,838 million (2024: RMB1,243 million).
- (v) The amounts represent the deposits placed with SPD Bank, the interest rate of which is negotiated based on the benchmark interest rate published by PBOC.
- (vi) The amounts represent the debt instrument investments placed with SPD Bank. The related interest rates are mutually agreed among both parties with reference to the market interest rates.
- (vii) The amounts represent the WMPs purchased/disposal of from SPD Bank. The return rates of WMPs are determined with reference to market conditions.
- (viii) The amounts primarily represent interest income from the deposits placed with SPD Bank and debt instrument investments placed with SPD Bank, and the income derived from WMPs purchased from SPD Bank and the CB publicly issued by SPD Bank.
- (ix) The amounts represent the conversion of CB into SPD Bank's common stock (note 23).

#### (c) Transactions with major associates of CMCC Group

The following is a summary of principal related party transactions entered into by the Group with the major associates of the CMCC Group for year ended 31 December 2025 and 2024, the terms of which are fair and reasonable.

	Note	2025 Million	2024 Million
Increase in cash, cash equivalents and bank deposits	(i)	149	238
Purchase of financial assets measured at FVPL	(ii)	7,250	23,900
Disposal of financial assets measured at FVPL	(ii)	4,000	6,500
Interest and other income	(iii)	2,019	2,029

The outstanding balances related to transactions with the major associates of the CMCC Group are included in the following accounts captions summarised as follows:

	As at 31 December 2025 Million	As at 31 December 2024 Million
Cash, cash equivalents and bank deposits	4,030	3,881
Financial assets measured at FVPL	61,363	56,172

Note:

- (i) The amounts represent the deposits placed with Postal Savings Bank of China ("PSBC"), the interest rate of which is negotiated based on the benchmark interest rate published by PBOC.
- (ii) The amounts represent the WMPs purchased from/disposal of PSBC. The return rates of WMPs are determined with reference to market conditions.
- (iii) The amounts primarily represent interest income from the deposits placed with PSBC, and the income derived from WMPs purchased from PSBC.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 41 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (d) Transactions with other government-related entities in the PRC

The Group is a government-related enterprise and operates in an economic regime currently dominated by entities directly or indirectly controlled by the PRC government through government authorities, agencies, affiliations and other organisation (collectively referred to as "government-related entities").

Apart from transactions with CMCC Group (note 41(a)), associates and joint ventures (note 41(b)) and the associates of CMCC Group (note 41(c)) with other government-related entities which include but not limited to the following:

- rendering and receiving telecommunications services, including interconnection revenue/charges
- sharing certain telecommunications network infrastructures and frequency bands of the radio spectrum
- purchasing of goods, including use of public utilities
- placing of bank deposits and purchasing of investment products

These transactions are conducted during the ordinary course of the Group's business based on terms comparable to the terms of transactions enacted with other entities that are not government-related. The Group prices all its telecommunications services and products based on commercial negotiations with reference to rules and regulations stipulated by related authorities of the PRC Government, where applicable. The Group has also established its procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

#### (e) For key management personnel remuneration please refer to note 11 and note 12.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 42 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below:

#### (a) Credit risk and concentration risk

The Group's credit risk is primarily attributable to the financial assets in the balance sheet, which mainly include deposits with banks, WMPs, asset management plans, bills receivable, accounts receivable, contract assets, other receivables and other financial assets measured at amortised cost. The maximum exposure to credit risk is represented by the carrying amount of the financial assets.

##### (i) Risk management

Substantially all the Group's cash at banks, and bank deposits are deposited in financial institutions in the Chinese mainland and Hong Kong. The credit risk on liquid funds is limited as the majority of counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies and large state-controlled financial institutions. The Group's WMPs, bond funds, monetary funds and asset management plans are issued by major domestic banks and other financial institutions investing in low or medium risk underlying assets, which mainly consist of money market instruments, PRC treasury bonds, central bank bills, local government debts, corporate bonds or debts with high credit ratings, and some stock investments. Other financial assets measured at amortised cost primarily include PRC treasury bonds, various debt instrument investments to banks and other financial institutions with high credit, as such, the related credit risk is considered as immaterial.

The accounts receivable of the Group are primarily comprised of receivables due from customers and other telecommunications operators. Accounts receivable from individual 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 granted by the Group is based on the service contract terms, normally not exceeding 1 year. Other receivables primarily comprise receivables due from deposits and retentions. Other financial assets measured at amortised cost primarily include various debt instrument investments provided to high-credit-quality banks and other financial institutions through China Mobile Finance and China Mobile Treasury. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis, taking into account the counterparties' financial position, the Group's past experience and other factors. Meanwhile, concentrations of credit risk with respect to accounts receivable are limited due to the Group's customer base being large and unrelated. As such, management considers the aggregate risks arising from the possibility of credit losses is limited and acceptable.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 42 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (a) Credit risk and concentration risk (Continued)

##### (ii) Impairment of financial assets

The Group has applied the expected credit loss model under IFRS/HKFRS 9 to financial assets within the scope of the relevant impairment requirements, including:

- Accounts receivable and contract assets
- Other financial assets measured at amortised cost

##### **Accounts receivable and contract assets**

The Group applies the simplified approach to measuring expected credit losses, under which the lifetime expected loss is recognised.

To measure the expected credit losses, accounts receivable have been grouped into portfolios with similar credit risk characteristics and are assessed using ageing and other credit risk indicators.

The expected loss rates are based on the payment profiles of sales over a period before 31 December 2025 or 31 December 2024 respectively and the corresponding historical credit losses experienced within this period. The Group's expected loss rates are mainly determined based on the corresponding historical credit losses. The Group also has considered the expected changes in macroeconomic factors, such as Consumer Price Index ("CPI"), Producer Price Index ("PPI") and Gross Domestic Product ("GDP"), and adjusted the historical loss rates based on expected changes in these factors accordingly to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 42 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (a) Credit risk and concentration risk (Continued)

##### (ii) Impairment of financial assets (Continued)

##### Accounts receivable and contract assets (Continued)

The expected credit loss as at 31 December 2025 and 2024 was determined as follows:

	Within 30 days Million	31 days to 90 days Million	91 days to 1 year Million	Over 1 year Million	
<b>As at 31 December 2025</b>					
<b>Individual customers</b>					
Expected loss rate	2%	20%	80%	100%	
Gross carrying amount	2,440	783	1,956	2,613	
Loss allowance	(49)	(157)	(1,565)	(2,613)	
	Within 180 days Million	181 days to 1 year Million	1 year to 2 years Million	2 years to 3 years Million	Over 3 years Million
<b>As at 31 December 2025</b>					
<b>Corporate customers*</b>					
Expected loss rate	3%	23%	58%	79%	97%
Gross carrying amount	49,054	21,379	18,997	9,666	9,571
Loss allowance	(1,472)	(4,992)	(10,999)	(7,630)	(9,266)
	Within 30 days Million	31 days to 90 days Million	91 days to 1 year Million	Over 1 year Million	
<b>As at 31 December 2024</b>					
<b>Individual customers</b>					
Expected loss rate	2%	20%	80%	100%	
Gross carrying amount	2,468	807	2,078	2,415	
Loss allowance	(49)	(161)	(1,662)	(2,415)	
	Within 180 days Million	181 days to 1 year Million	1 year to 2 years Million	2 years to 3 years Million	Over 3 years Million
<b>As at 31 December 2024</b>					
<b>Corporate customers</b>					
Expected loss rate	3%	25%	65%	85%	100%
Gross carrying amount	33,405	18,683	15,222	7,227	7,295
Loss allowance	(1,002)	(4,671)	(9,894)	(6,143)	(7,295)

\* During the year, the Group further strengthened its management of corporate customer receivables by refining the portfolio segmentation and the associated ageing methodology and expected loss rates applied to such receivables, reflecting the growth and increasing diversification of the corporate customer base. The expected credit loss rates presented are blended rates for the relevant portfolios. The Group evaluated the impact of these refinements on the related loss allowances and accounted for the resulting changes in accordance with IFRS/HKFRS 9

As at 31 December 2025 and 2024, the expected loss rates for contract assets are from 3% to 5%.

The expected credit loss of the receivables due from customers other than the above customers groups is insignificant.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 42 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (a) Credit risk and concentration risk (Continued)

##### (ii) Impairment of financial assets (Continued)

##### Accounts receivable and contract assets (Continued)

Expected credit impairment losses on accounts receivable are presented within other operating expenses. Subsequent recoveries of amounts previously written off are credited against the same line item. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly.

##### Other financial assets measured at amortised cost

Other financial assets measured at amortised cost include cash and cash equivalents, bank deposits, bills receivables, other receivables, PRC treasury bonds and other debt instrument investments, etc. They are considered to be of low credit risk and the relevant expected credit loss is insignificant.

#### (b) Liquidity risk

Liquidity risk refers to the risk that funds will not be available to meet liabilities as they fall due, and results from timing and amount mismatches of cash inflow and outflow. The Group maintains sufficient cash balances and bank deposits (which are readily convertible to known amounts of cash) to meet its funding needs, including working capital, capital expenditures, dividend payments, and payments for short-term deposits of CMCC Group received by China Mobile Finance, etc.

The following table sets out the remaining contractual maturities at the balance sheet date of the Group's financial liabilities, which are based on the undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on prevailing rates at the balance sheet date) and the earliest date the Group would be required to repay:

	Carrying amount Million	Total contractual undiscounted cash flow Million	Within 1 year or on demand Million	More than 1 year but less than 3 years Million	More than 3 years but less than 5 years Million	More than 5 years Million
<b>As at 31 December 2025</b>						
Accounts payable and accrued expenses	334,099	334,099	334,099	-	-	-
Bills payable	17,202	17,202	17,202	-	-	-
Receipts in advance	83,206	83,206	83,206	-	-	-
Other payables	61,613	61,613	61,613	-	-	-
Lease liabilities	91,449	96,829	43,854	37,640	8,057	7,278
Bank and other borrowings	9,748	9,748	19	20	9,709	-
Other non-current liabilities	838	932	-	247	203	482
	598,155	603,629	539,993	37,907	17,969	7,760

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 42 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (b) Liquidity risk (Continued)

	Carrying amount Million	Total contractual undiscounted cash flow Million	Within 1 year or on demand Million	More than 1 year but less than 3 years Million	More than 3 years but less than 5 years Million	More than 5 years Million
<b>As at 31 December 2024</b>						
Accounts payable and accrued expenses	354,341	354,341	354,341	-	-	-
Bills payable	40,843	40,843	40,843	-	-	-
Receipts in advance	79,920	79,920	79,920	-	-	-
Other payables	41,329	41,331	41,331	-	-	-
Lease liabilities	88,442	94,636	33,691	46,101	8,032	6,812
Other non-current liabilities	1,202	1,295	-	680	206	409
	606,077	612,366	550,126	46,781	8,238	7,221

#### (c) Interest rate and fair value risk

The Group consistently monitors the current and potential fluctuation of interest rates in managing the interest rate risk on a reasonable level. As at 31 December 2025, the Group had RMB9,748 million (as at 31 December 2024: Nil) of bank and other borrowings, and RMB40,005 million (as at 31 December 2024: RMB18,884 million) of short-term bank deposits placed by CMCC. Borrowings issued at floating rates and the short-term bank deposits placed by CMCC expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk upon renewal. The Group determines the amount of its fixed rate or floating rate borrowings depending on the prevailing market conditions. Management does not expect fair value interest rate risk to be high as the interest involved will not be significant.

As at 31 December 2025, total cash and bank deposits balances of the Group, interest-bearing other financial assets measured at amortised cost and other debt investments, and WMPs and other investment products amounted to RMB652,048 million (as at 31 December 2024: RMB677,258 million). The interest and other income generated by the assets mentioned above for 2025 was RMB17,958 million (2024: RMB22,416 million) and the average interest rate was 2.70% (2024: 3.50%). Assuming the aforesaid assets are stable in the coming year and interest rate increases/decreases by 100 basis points, the profit for the year and total equity would approximately increase/decrease by RMB4,917 million (2024: RMB5,093 million).

The carrying amount of the financial instruments carried at amortised cost are not materially different from their respective fair values at the balance sheet dates as they are readily convertible into cash or repayable on demand.

#### (d) Foreign currency risk

The Group has foreign currency risk as certain cash and deposits with banks are denominated in foreign currencies, principally Hong Kong dollars and US dollars that is different from the functional currency of the respective group entities. As the amount of the Group's foreign currency cash and deposits with banks represented 7.26% (2024: 5.85%) of the total cash and deposits with banks, the Group considered the related foreign currency risk was immaterial.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 43 CAPITAL COMMITMENTS

The Group's capital expenditure contracted for as at 31 December but not provided for in the consolidated financial statements are as follows:

	<b>2025</b>	2024
	<b>Million</b>	Million
Land and buildings	<b>1,502</b>	2,674
Telecommunications equipment and others	<b>23,272</b>	22,995
	<b>24,774</b>	25,669

### 44 EVENTS AFTER THE REPORTING PERIOD

#### Proposed dividend

After the balance sheet date, the Board of Directors proposed a final dividend for the year ended 31 December 2025. Further details are disclosed in note 39(b)(i).

#### Adjustment to scope of Value-Added Tax items

The Ministry of Finance and the State Taxation Administration of the People's Republic of China issued the "Announcement on Matters Relating to Specific Scope for Assessment of Value-Added Tax" (Ministry of Finance and State Taxation Administration Announcement No. 9 of 2026) (《關於增值稅徵稅具體範圍有關事項的公告》(財政部稅務總局公告2026年第9號), the "Notice").

The Notice provides that, with effect from 1 January 2026, business activities conducted within the Chinese mainland involving the provision of handset data traffic services, SMS and MMS services and Internet broadband connection services using wireline network, mobile network, satellite or the Internet shall be reclassified from value-added telecommunications services to basic telecommunications services for value-added tax purposes. As a result, the applicable value-added tax rate would increase from 6% to 9%. This change to value-added tax classification is expected to impact the Group's revenue and profit.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 45 ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical estimations and judgements are as follows:

#### **Impairment losses of accounts receivable**

The impairment loss allowance of accounts receivable is based on assumptions about risk of default and expected loss rates. The Group assesses these assumptions and selects the inputs to the impairment calculation, based on the Group's historical credit losses, macroeconomic factors as well as expected changes in these factors at each balance sheet date.

#### **Depreciation**

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives. The Group reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives and residual values are determined based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

#### **Taxation**

The Group is subject to income taxes mainly in the Chinese mainland and Hong Kong. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

For temporary differences which give rise to deferred tax assets, the Group assesses the likelihood that the deferred tax assets could be recovered. Deferred tax assets are recognised based on the Group's estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 45 ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

#### **Impairment of property, plant and equipment, goodwill, right-of-use assets, other intangible assets and investments accounted for using the equity method**

The Group's property, plant and equipment, goodwill, right-of-use assets, other intangible assets and investments accounted for using the equity method comprise a significant portion of the Group's total assets. Changes in technology or industry conditions may cause the value of these assets to change. Property, plant and equipment, right-of-use assets, other intangible assets subject to amortisation and investments accounted for using the equity method, are reviewed at least annually to determine whether there is any indication of impairment. The recoverable amount is estimated whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

The recoverable amount of an asset is the greater of its fair value less costs of disposal and VIU. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The calculation of the estimated future cash flow requires significant judgement relating to level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable estimation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in further impairment charge or reversal of impairment in future periods. Additional information for the impairment assessment of goodwill and investments accounted for using the equity method is disclosed in notes 18 and 21, respectively.

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 46 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, INTERPRETATIONS AND DISCLOSURES ISSUED BUT NOT YET EFFECTIVE OR MANDATORY FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB/HKICPA has issued a number of amendments and new standards which are not yet effective or mandatory for the year ended 31 December 2025 and which have not been adopted in these financial statements. Of these developments, the following relate to matters that may be relevant to the Group's operations and financial statements:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to IFRS/HKFRS 9, Financial instruments and IFRS/HKFRS 7, Financial instruments: disclosures – Contracts referencing nature dependent electricity	1 January 2026
Amendments to IFRS/HKFRS 9, Financial instruments and IFRS/HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to IFRS/HKFRS Accounting Standards – Volume 11	1 January 2026
IFRS/HKFRS 18, Presentation and disclosure in financial statements	1 January 2027
IFRS/HKFRS 19, Subsidiaries without public accountability: disclosures	1 January 2027

Management is assessing the impact of such new standards and amendments to standards and will adopt the relevant standards and amendments to standards in the subsequent periods as required. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

#### **IFRS/HKFRS 18, Presentation and disclosure in financial statements**

IFRS/HKFRS 18 will replace IAS/HKAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS/HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS/HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The group does not plan to early adopt IFRS/HKFRS 18 and is still in the process of assessing the impact of the adoption.

## FINANCIAL SUMMARY

(Expressed in RMB)

### RESULTS

	<b>2025</b>	2024	2023	2022	2021
	<b>Million</b>	Million	Million	Million	Million
<b>Operating revenue</b>					
Revenue from principal businesses	<b>895,530</b>	889,468	863,514	812,058	751,409
Revenue from other businesses	<b>154,657</b>	151,291	145,795	125,201	96,849
	<b>1,050,187</b>	1,040,759	1,009,309	937,259	848,258
<b>Operating expenses</b>					
Network operation and support expenses	<b>285,698</b>	283,341	268,895	254,182	225,010
Depreciation and amortisation	<b>189,999</b>	191,101	207,132	200,077	193,045
Employee benefit and related expenses	<b>154,104</b>	151,944	144,333	130,157	118,680
Selling expenses	<b>56,184</b>	54,564	52,477	49,592	48,243
Cost of products sold	<b>152,992</b>	149,240	142,807	122,743	96,083
Other operating expenses	<b>62,278</b>	67,979	59,319	51,409	49,234
	<b>901,255</b>	898,169	874,963	808,160	730,295
<b>Profit from operations</b>	<b>148,932</b>	142,590	134,346	129,099	117,963
Other (losses)/gains	<b>(426)</b>	4,970	9,823	9,388	8,257
Interest and other income	<b>18,303</b>	23,005	21,134	15,729	16,729
Finance costs	<b>(3,657)</b>	(3,273)	(3,730)	(2,330)	(2,679)
Income from investments accounted for using the equity method	<b>12,456</b>	11,097	8,958	10,986	11,914
<b>Profit before taxation</b>	<b>175,608</b>	178,389	170,531	162,872	152,184
<b>Taxation</b>	<b>(38,344)</b>	(39,863)	(38,596)	(37,278)	(35,878)
<b>PROFIT FOR THE YEAR</b>	<b>137,264</b>	138,526	131,935	125,594	116,306

**FINANCIAL SUMMARY**

(Expressed in RMB)

	<b>2025</b> <b>Million</b>	2024 Million	2023 Million	2022 Million	2021 Million
<b>Other comprehensive income for the year, net of tax:</b>					
<b>Items that will not be subsequently reclassified to profit or loss</b>					
Changes in the fair value of financial assets measured at fair value through other comprehensive income	<b>787</b>	45	176	(226)	(406)
Remeasurement of defined benefit liabilities	<b>227</b>	(889)	(184)	15	(143)
Share of other comprehensive income/(loss) of investments accounted for using the equity method	<b>55</b>	161	(146)	(12)	7
<b>Items that may be subsequently reclassified to profit or loss</b>					
Changes in the fair value of financial assets measured at fair value through other comprehensive income	<b>(262)</b>	506	25	–	–
Currency translation differences	<b>(1,238)</b>	892	573	2,575	(882)
Share of other comprehensive (loss)/income of investments accounted for using the equity method	<b>(1,356)</b>	1,823	1,068	(1,093)	(219)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>135,477</b>	141,064	133,447	126,853	114,663
<b>Profit attributable to:</b>					
Equity shareholders of the Company	<b>137,095</b>	138,373	131,766	125,459	116,148
Non-controlling interests	<b>169</b>	153	169	135	158
<b>PROFIT FOR THE YEAR</b>	<b>137,264</b>	138,526	131,935	125,594	116,306
<b>Total comprehensive income attributable to:</b>					
Equity shareholders of the Company	<b>135,347</b>	140,866	133,275	126,718	114,505
Non-controlling interests	<b>130</b>	198	172	135	158
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>135,477</b>	141,064	133,447	126,853	114,663

## FINANCIAL SUMMARY

(Expressed in RMB)

### ASSETS AND LIABILITIES

	<b>As at 31 December 2025 Million</b>	As at 31 December 2024 Million	As at 31 December 2023 Million	As at 31 December 2022 Million	As at 31 December 2021 Million
Property, plant and equipment	<b>707,116</b>	714,494	714,663	717,121	701,977
Construction in progress	<b>61,845</b>	74,271	74,496	73,087	71,742
Right-of-use assets	<b>77,662</b>	80,625	94,753	108,749	55,350
Land use rights	<b>14,006</b>	14,440	14,877	15,244	15,739
Goodwill	<b>39,264</b>	35,301	35,301	35,301	35,344
Development expenditure	<b>3,610</b>	2,157	2,279	1,334	919
Other intangible assets	<b>45,742</b>	36,364	32,720	31,265	28,580
Investments accounted for using the equity method	<b>214,353</b>	198,563	181,715	175,649	169,556
Deferred tax assets	<b>52,097</b>	50,755	47,337	43,638	43,216
Financial assets measured at fair value through other comprehensive income	<b>32,388</b>	13,928	3,518	490	689
Financial assets measured at fair value through profit or loss	<b>254,897</b>	209,422	185,621	187,130	78,600
Other financial assets measured at amortised cost	<b>7,040</b>	7,331	5,628	9,716	283
Bank deposits	<b>61,685</b>	54,413	55,387	45,887	17,056
Other non-current assets	<b>58,831</b>	47,504	46,258	34,556	26,905
<b>Current assets</b>	<b>497,646</b>	568,559	498,104	456,371	595,371
<b>Total assets</b>	<b>2,128,182</b>	2,108,127	1,992,657	1,935,538	1,841,327
<b>Current liabilities</b>	<b>613,560</b>	633,018	558,565	533,337	582,148
Bank and other borrowings	<b>9,748</b>	–	–	–	–
Lease liabilities	<b>48,942</b>	55,930	67,759	81,741	30,922
Deferred revenue	<b>9,144</b>	9,274	9,281	8,810	8,487
Defined benefit plan and other employee benefit liabilities	<b>6,643</b>	7,006	6,408	5,951	5,522
Deferred tax liabilities	<b>4,881</b>	3,877	3,077	2,571	2,369
Other non-current liabilities	<b>2,413</b>	2,483	1,582	1,705	1,587
<b>Total liabilities</b>	<b>695,331</b>	711,588	646,672	634,115	631,035
<b>Total equity</b>	<b>1,432,851</b>	1,396,539	1,345,985	1,301,423	1,210,292



China Mobile Limited  
60/F, The Center, 99 Queen's Road Central, Hong Kong  
Tel : (852) 3121 8888  
Fax : (852) 3121 8809



Website: [www.chinamobileltd.com](http://www.chinamobileltd.com)  
Welcome to China Mobile Limited's website