



PRESS RELEASE

For Immediate Release

CHINA MOBILE ANNOUNCES 2023 ANNUAL RESULTS

Business results reached new milestones

Strategic transformation and reforms advanced to a new level

Highlights

- Adopt a strategy-led approach, driving new milestones in business performance
- Leverage innovation, deepening strategic transformation with remarkable results
- Expedite further business upgrade, facilitating mutual advancement of the “two new elements”
- Achieve breakthroughs amidst adversity, yielding fruitful results from innovation and reform
- Dedicated to enhancing shareholder returns, using a multi-pronged approach
- Forge ahead with determination, accelerating the building of a world-class enterprise

Operating Performance

	2022	2023	Change
Operating revenue (RMB million)	937,259	1,009,309	7.7%
Of which: Revenue from telecommunications services (RMB million)	812,058	863,514	6.3%
EBITDA (RMB million) ¹	329,176	341,478	3.7%
Profit attributable to equity shareholders (RMB million)	125,459	131,766	5.0%
Basic earnings per share (RMB)	5.88	6.16	4.8%
Dividend per share (HK\$)	4.41	4.83	9.5%
Total mobile customers (million)	975	991	1.6%
Of which: 5G package customers (million)	614	795	29.4%
5G network customers (million)	327	465	42.1%
Mobile ARPU (RMB)	49.0	49.3	0.6%
Wireline broadband customers (million)	272	298	9.6%
Of which: Household broadband customers (million)	244	264	8.3%
Household broadband blended ARPU (RMB)	42.1	43.1	2.4%
Corporate customers (million)	23.20	28.37	22.3%
IoT card connections (million)	1,062	1,316	23.9%

1. EBITDA = profit from operations + depreciation and amortization

(Hong Kong, 21 March 2024) –China Mobile’s operating revenue for the year reached RMB1,009.3 billion, or 7.7% growth year-on-year. Of this, telecommunications services revenue accounted for RMB863.5 billion, representing an increase of 6.3% year-on-year and surpassing the industry average. The total number of connections reached 3.35 billion, representing a net addition of 410 million connections. All CHBN markets recorded growth, with HBN revenue accounting for 43.2% of telecommunications services revenue, an

increase of 3.4 percentage points year-on-year. Digital transformation revenue increased by 22.2% year-on-year and reached RMB253.8 billion, taking up 29.4% of telecommunications services revenue. We further reinforced our foundation and optimized our revenue structure while seeing strong momentum from the “second curve” in generating growth. This formed a solid base for our sustainable development.

Profit attributable to equity shareholders was RMB131.8 billion, an increase of 5.0% year-on-year, and earnings per share were RMB6.16. Our profitability remained in a leading position among top-tier global telecommunications operators. EBITDA was RMB341.5 billion, an increase of 3.7% year-on-year. EBITDA as a percentage of telecommunications services revenue was 39.5%. Capital expenditure totaled RMB180.3 billion, accounting for 20.9% of telecommunications services revenue⁴ and decreasing by 1.9 percentage points year-on-year. Free cash flow was RMB123.5 billion, an increase of 29.2% year-on-year. These indicators demonstrated our leading efficiency and effectiveness, and reflected a favorable trajectory for growth.

The Board recommends a dividend payout ratio of 71% for the full year of 2023. It also recommends a final dividend payment of HK\$2.40 per share for the year ended 31 December 2023. Together with the interim dividend already paid, total dividend for the full year of 2023 amounted to HK\$4.83 per share, an increase of 9.5% from that of 2022.

To create higher returns for our shareholders and share the results of our growth, after giving full consideration to the Company’s profitability, cash flow generation and future development needs, 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. The Company will strive to create more value for shareholders.

Mr. Yang Jie, Chairman of the Company commented, ‘In 2023, despite various challenges faced by the Company in a complex and severe macro- environment, we seized the opportunities emerging from accelerated economic and social digital transformation. This helped anchor us in our position as a world-class information services and sci-tech innovation enterprise. Our efforts were focused on fully implementing our “1-2-2-5” strategy and strengthening innovation and core competitiveness to promote high-quality and sustainable development. Our business results reached new milestones, with revenue surpassing the RMB trillion mark for the first time in our history of development, and net profit attaining a record high. In terms of operations, our strategic transformation, reforms and innovation all advanced to a new level, underscoring our solid progress in establishing a world-class enterprise that takes pride in outstanding products, reputable brands, leading innovation and modern governance.’

Vigorously Drove Business Transformation and Upgrade Value-oriented Operations Achieved Remarkable Results

Responding to the trends of digitalization and the growing adoption of network and intelligence, we focused on enhancing the capabilities and quality of the information services we provide. We relentlessly pursued value-oriented operations that leverage the scale of our business to drive comprehensive and integrated development in the CHBN markets. We have also built our presence in new areas and opened new markets, effectively discovering and satisfying customer demand for upgrading digital consumption. We achieved remarkable results on these fronts, leading to outstanding performance in all four markets and further consolidating our competitive edges.

“Customer” Market: Integrated Operations Built on Strong Foundation

We furthered the integrated development of data access, applications and customer benefits. The number of 5G customers represented a growing share of our overall customer base resulting from unleashing the synergies between the “Home” and “Business” markets, more precisely targeting customer, scenario and

market segments. Moreover, we promoted the upgrade of our benefit superstore to a digital life services platform. We launched the M-zone Mango Card through a joint initiative linking brand operation and ecosystem cooperation. As a result, the scale and value of our “Customer” market continued to form a strong foundation, underscoring its role in offering stability to the Company. In 2023, our “Customer” market revenue reached RMB490.2 billion, up by 0.3% year-on-year. Mobile customers totaled 991 million, with a net addition of 15.99 million customers. In our customer base, 795 million were 5G package customers, representing a net addition of 180 million. The number of customers using our integrated-benefit products reached 330 million, a net addition of 42.76 million customers. The number of monthly active users of our cloud product China Mobile Cloud Drive recorded a net addition of 23.74 million, bringing the total to 190 million, the second largest in the industry. The number of customers using our 5G new voice over high definition video reached 133 million, a net addition of 41.32 million customers – more than 3.07 million of them were subscribers of AI applications. The M-zone Mango Card recorded sales of 11.47 million in the five months since its launch, demonstrating its popularity among young customers. Mobile ARPU (average revenue per user per month) recorded stable and healthy growth, up 0.6% year-on-year to RMB49.3.

“Home” Market: Upgraded Smart Business with Emphasis on Value

We aspired to develop a smart home ecosystem featuring full-gigabit network and cloud-based applications by cultivating our leadership in gigabit-driven broadband, content-driven large screens, platform-driven IoT and ecosystem-driven HDICT (home data, information and communications technology, collectively “home informatization solutions”). We proactively developed growth areas in smart home spending and continuously expanded the scenarios for smart home solutions. Our “Home” market maintained favorable growth, and we remained steadfast in our commitment to a stable and lasting business approach that focuses on value. In 2023, our “Home” market revenue reached RMB131.9 billion, up 13.1% year-on-year. The number of household broadband customers reached 264 million, or a net increase of 20.12 million customers. In terms of net increase, we have held our industry leadership for multiple consecutive years. Gigabit broadband customers accounted for 30.0% of our household broadband customer base, an increase of 14.3 percentage points from the end of 2022. Our mobile HD customer base reached 207 million while the number of customers for smart home network deployment and home security increased by 36.7% and 40.5% respectively year-on-year. Customers for the HDICT solutions grew to 29.21 million, bringing the revenue contribution from household value-added business to 25.6% of the “Home” market revenue. Household customer blended ARPU increased by 2.4% year-on-year to RMB43.1.

“Business” Market: Revenue Growth Engine with Strengthened Capabilities

We focused our efforts on the integrated development of network, cloud and DICT (data, information and communications technology), consistently enhancing industry insights, system planning, product innovation, and support and delivery capabilities in order to establish an innovative operation system that is standardized and product-driven for effective management of platform-based solutions. As a result, our “Business” market sustained rapid growth and continued to be a key driver of incremental revenue. In 2023, “Business” market revenue reached RMB192.1 billion, up 14.2% year-on-year. Our corporate customer base reached 28.37 million, a net increase of 5.17 million. We proactively formulated plans to tap into the blue-ocean informatization market, focusing on nine key industries and delivering more effective end-to-end industry solutions. Our growing influence in the market was evident in a higher share of contracts won in open tenders in 2023. Our share topped the industry, amounting to 14.3% or an increase of 3.0 percentage points year-on-year. China Mobile Cloud comfortably maintained its position as a top-tier player among domestic cloud services providers, with revenue reaching RMB83.3 billion, an increase of 65.6% year-on-year. Revenue from our proprietary capabilities increased by over 100% year-on-year, with IaaS+ PaaS revenue share ranked top five in the industry. We continued to advance the integration between cloud on one hand and network, edge computing, data, intelligence and security on the other hand, making solid steps toward our goal of becoming an industry leader in this area. Our ability to use 5G to empower digital transformation across industries continued to be pre-eminent. Throughout 2023, we signed 15,000 5G industry commercialization cases, an increase of 22.4% over the previous year. The contract value of our 5G DICT projects signed during 2023 reached RMB47.5 billion, or a year-on-year increase of 30.1%; 5G dedicated

network revenue amounted to RMB5.4 billion, a year-on-year increase of 113.1%. We maintained our leadership in several industry segments including smart mining, smart factories, smart grid, smart hospitals, smart city and autonomous driving. In the “To V” market, we expanded both the scale and capability of our Internet of Vehicles (IoV) market by entering partnerships with all of the Top 10 best-selling new energy vehicle brands in China, boasting the largest market share among telecommunications operators. High-precision positioning services recorded a cumulative deployment of more than 1,000 billion times. We have jointly launched the largest scale nationwide lane-level navigation application. In the “To G” market, alongside a growing impact, we have accumulated capabilities in digital government and demonstrated significant exemplary effects with benchmark projects at the provincial and municipal levels. Throughout 2023, we implemented more than 2,000 projects by deploying our public administration informatization solutions.

“New” Market: Scale Operation with Increased Revenue Contribution

The role of “New” business as a growth driver was underscored by its increased contribution to the incremental revenue, across international business, equity investment, digital content and FinTech. This was achieved by focusing on upscaling, efficiency enhancement and brand building. In 2023, our “New” market revenue reached RMB49.3 billion, up 28.2% year-on-year. In terms of international business, we deepened the synergies between international and domestic markets by quickening the export of outstanding products and 5G solutions to serve the high-quality co-construction of the “Belt and Road”. We also upgraded our overseas digital infrastructure and bolstered international ecosystem collaboration. Our international business revenue reached RMB20.7 billion, up 24.2% year-on-year. In terms of equity investment, we optimized the two-pronged approach of direct investment and investing through funds to actively create a family of businesses to drive ecosystem expansion in the mobile information industry. We continued to foster a partnership system featuring the China Mobile model through industry investment and ecosystem partnerships that amplified the function of capital in connecting and empowering the ecosystem. In terms of digital content, we made every effort to strengthen the integration of content, technology and innovation, refining core products such as MIGU Video while expanding into new areas such as VR/AR, cloud games and the metaverse. The annual revenue of our digital content business reached RMB28.0 billion, growth of 31.6% year-on-year. The monthly active users for cloud games across all platforms reached 120 million, the largest user base in the industry. In terms of FinTech, driven by data mining and scenario empowerment, we continuously promoted the rapid development of financial services throughout the industry value chain, achieving an annual business scale of RMB76.6 billion. Through the creation of an all-in-one digital consumption portal across all platforms, “and-Wallet” monthly active customers grew by 51.8% year-on-year.

We accelerated the pace of digital transformation and development, with a specific focus on value growth and the provision of digital intelligence services centering around digital industrialization and industrial digitization. We sought to continuously improve the level of CHBN business operations, allowing customers to enjoy a greater sense of gain through the advancement of informatization. In 2023, the contribution of our digital transformation revenue to our incremental telecommunications services revenue reached 89.7%. Its share of telecommunications services revenue increased to 29.4%, becoming the strongest driver of revenue growth. Of which, in terms of industry digitalization, DICT revenue increased by 23.8% year-on-year to RMB107.0 billion. In the area of personal and household digitalization, benefit revenue increased 37.1% year-on-year to RMB22.4 billion while smart home value-added business revenue grew by 13.1% year-on-year to RMB33.6 billion.

Vigorously Advanced the Build-out of the “Two New Elements” Significantly Enhanced Information Services Capabilities

We continued to reinforce the foundation for digital intelligence transformation and improve the quality and efficiency of our digital intelligence development. With a focus on developing 5G, computility

network (CN) and the integration platform, we relentlessly optimized our new information infrastructure and enriched our new information services system that integrates connectivity, computility and capability.

Relentlessly strengthened new information infrastructure. We maintained leadership in dual gigabit network. We have accumulatively brought into use more than 1.94 million 5G base stations. We planned for the deployment of the world’s largest RedCap commercial network, and built the world’s first 5G new voice network. We continued to achieve ongoing leadership in the computility network. Our national computility network that boasts leading technology and scale has taken shape. Our data center capability covers all nodes across the Eastern Data and Western Computing hubs in China, and we have sped up the realization of our “N+X” multi-layer and full-coverage deployment of intelligence computing capability. Our intelligent computility reached 10.1 EFLOPS, an increase of 206% year-on-year. We witnessed scale development of our integration platform. We have included 1,133 integration platform capabilities, which have been accumulatively deployed 580.7 billion times throughout the year. We received the highest DCMM rating Level 5 certificate for data governance.

Relentlessly consolidate foundation for digital intelligence via targeted investments. In 2023, CAPEX totaled RMB180.3 billion. This figure accounted for 20.9% of services revenue, down by 1.9 percentage points year-on-year. In 2024, we expect CAPEX to stand at around RMB173 billion, down by 4.0% year-on-year. CAPEX to services revenue ratio is expected to fall below 20%. By the end of this year, we will have cumulatively commissioned 2.35 million 5G base stations, and the scale of intelligent computing will exceed 17 EFLOPS.

Relentlessly enrich new information services system. In terms of customers, the total number of connections reached 3.35 billion, a net addition of 410 million connections. In terms of products, we formed a product system covering digital intelligence services. In the mass market, 17 of our products each had a user base in excess of 100 million. In the “Business” market, revenue of 6 products exceeded RMB10 billion each. In terms of branding, we have introduced the “1+4+4” strategic brand system as part of our recent initiatives. We enjoyed leading brand value among global telecommunications operators. Further, we proactively took steps to accelerate breakthroughs in computility applications and deployed innovative development plans for the Internet of Video Things, IoVT, business, and our efforts have yielded favourable results. We have launched the all-network commercialization pilot test of our Tianqiong computility network brain, and the Baichuan integrated computility and network platform. Our Computility Faucets strategy was set for scaled, standardized and commercialized operation. For IoVT, our “China Mobile Home Guard” and “Clairvoyant” cameras have together obtained 56.26 million customers across the network.

China Mobile Cloud on track to become a “top-tier player in the industry”. Revenue of China Mobile Cloud reached RMB83.3 billion, up by 65.6% year-on-year. Industry Cloud IaaS+ PaaS revenue share ranked top five in the industry. We have enhanced the innovation of our computility products, leading to a greater diversification of offerings. Our cloud computer recorded a sales volume of over 2.70 million, representing a more than ten-fold increase year-on-year.

Vigorously Fostered Innovation Continuously Enhanced Sustainable Development

The Company has accelerated the advancement of the technological innovation system, continuously expanding an ecosystem of open cooperation and fully leveraging the efficiencies gained from management reform to strengthen its future-proof sustainable development capabilities.

Technological innovation in full swing. By upgrading the “Unified Five Rings” technological framework and implementing the BASIC6 sci-tech innovation plan, we achieved a constant stream of results in

technological innovation. Our network technologies continued to drive industry development. We led 60 projects in 5G-A international standard setting, more than any other global telecommunications operator. We also successfully sent two land-space experimental satellites – China Mobile 01 and Xinghe verification satellite – into Low Earth orbit. We promoted the computility network as an important component for national strategic emerging industries. We attained breakthrough improvements in our key digital intelligence capabilities. We launched the Jiutian Zhongqing foundation large model, as well as five industry large models covering customer service, public administration, etc. We also deployed efforts in emerging security technologies such as 6G, computility network native security, and quantum communications.

Increasing effectiveness of enterprise reforms. We continued with enterprise reforms with increased depth and breadth. In our subsidiary operations, we have implemented reforms to strengthen the system of the boards of directors. We have also continuously enhanced our talent pool through the "10-10²10³-10⁴" program. Frontline reforms have generated notable results. We have set up 11 specialised, premium, unique, and new teams like XinSheng Tech. The Cloud Capability Centre was selected as one of the first batch of World-class Professional Leading Enterprises by the State-owned Assets Supervision and Administration Commission of the State Council. We continuously strengthened management using scientific approaches. We optimized our product operation mechanisms and firmly promoted the construction of a digital intelligence treasury system. The digital intelligence ecosystem has experienced significant growth and prosperity. This expansion has been facilitated through strategic cooperation, capital partnerships, innovation collaborations, ecosystem synergies and other means, resulting in the continuous expansion of the “circle of relatives” and “circle of friends”.

Notable outcomes in operational management. We continued to advance channel transformation in greater depth. Our pan-terminal and omni-channel alliance saw increasing influence, and we continued innovations in smart grids and online operation. We maintained best-in-class services, which allowed us to stay at a significantly leading position in the industry in terms of overall customer satisfaction. Our management practices were notably empowered by digital application. Our network construction, network operation and maintenance efficiency has improved, while our supply chain has gained increased resilience.

Future Outlook

The impact of the new wave of technological revolution and industrial reforms will continue to grow, so will the importance of integrated innovation. The three aspects of this integrated innovation will be highlighted in the power of information, the new generation information technology, and the merger of information service and social operation systems. At the same time this integrated innovation will deepen in three directions – the applications of a new generation of information technology to rapidly form new growth momentum, the collaboration of industry, academia, research and application to foster a new innovation paradigm, and the integration of digital and real economy to open up new development opportunities.

We see valuable opportunities as we expand our information services. With the advocacy of the national “AI+” initiative and the further accelerated advancement of Digital China, the industry experiences new growth potential from the development of new quality productive forces. This progress brings forth the emergence of data as a new factor of production, computility as a new fundamental energy source and AI as a new instrument of production. The information services industry has not only in itself become an important sector for the development of new quality productive forces, but also a strong support for other sectors in this pursuit. General AI, particularly represented by AI large models, is developing robustly. The role of AI is also fast changing from an assisting tool that helps different industries improve quality and efficiency, to an indispensable infrastructure and core capability that supports economic and social transformation and development. While AI brings forth disruptive applications, “AI+” opens up vast blue-ocean of opportunities. Fixating the vision of building a world-class information services and sci-tech innovation enterprise, we will capture opportunities arising from the development of “AI+” and extending our “5G+” initiatives towards

this direction. We will identify a new roadmap of transformation and upgrade through comprehensive, systematic and deep-dived integrated innovation. In doing so, we will drive more creation to enrich life, enhance quality production and support precise governance powered by digital intelligence. We will satisfy, drive and create demand to form a new for value growth trajectory and fuel the future development of the Company.

In the meantime, we are faced with some uncertainties in our transformation and future development. The business landscape is complex and severe with various international trade and technology barriers. This has threatened the stability of the supply chain and adversely affected our operations to some extent. Integrated innovation and cross-disciplinary collaboration in the information technology sector have emerged as prominent trends, which, coupled with AI and other emerging technologies, have brought disruptive changes to how information services are delivered. Players across the industry chain are trying to dominate key segments of the value chain by integrating capabilities and converging the ecosystems. The information services sector has become more diversified at the same time as seeing more intense competition.

Mr. Yang Jie, Chairman of the Company commented, ‘Faced with both opportunities and challenges, we will fully, accurately and comprehensively align with the new development paradigm. We will pursue stable progress while forging ahead with a steadfast focus on integrity and innovation. We will enhance core functions, improve core competitiveness and fully implement the “1-2-2-5” strategy and relentlessly solidify our position as a world-class “Powerhouse”. We will strive to promote digital intelligence transformation and high quality development. Building upon the foundation of deepening the implementation of the “Two New Elements” (new information infrastructure and new information services system), we will comprehensively propel the “BASIC6” sci-tech innovation plan, reinforce strategic planning for “AI+”, develop new quality productive forces at an accelerated pace, and establish ourselves as a world-class information services and sci- tech innovation enterprise to a high standard. In doing so, we strive to achieve favorable growth in revenue and net profit to consistently create greater value for our shareholders and customers.’

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