GROWING TOGETHER HARMONIOUSLY

THE CHANGE:
BUILDING A RESPONSIBLE FUTURE

2009 Corporate Social Responsibility Report
China Mobile Limited

◉ CHAIRMAN'S STATEMENT

The Change:
Building a Responsible Future

In today's society, mobile telecommunications have become an inseparable part of people's lives. As the use of mobile phones expands and becomes a common tool for the Internet, reading, music, games, television, payment, mobile positioning, and other services, mobile phones have transformed from a simple tool for communication to a valuable asset for communications, travel, shopping, and entertainment. Mobile telecommunications have also become an integral part of how society runs. Agricultural production, transportation and logistics, food safety, municipal management, financial services, medical care, and education and culture have all come to rely on mobile telecommunications technology. Each of these sectors has benefited from the unique advantages of mobile information services. With real-time data access from any location at any time to an ecosystem of connected information networks, these sectors can enjoy a broad set of "connected, timely, convenient, safe, economical, and environmentally friendly" services. Mobile telecommunications continue to offer an increasingly diverse range of solutions that have changed how people live and how society operates. With current technology, we have comprehensive mobile monitoring systems that collect information, provide reliable methods for data transmission, and dynamic mechanisms for managing data. With these elements in place, we have advanced the 'Internet of Things': ensuring that mobile services are adopted widely for topics including traffic control, heating management, food management, and production processes. The impact of mobile products and services has continued to truly broaden as well as deepen, signaling a major shift in how society operates.

"The Change" is about the potential for mobile technology to have immense social impact, and as the world's largest mobile telecommunications operator by customer base and network size, we have an inimitable role to play here. In line with our corporate mission, to "Communicate a Boundless World and Construct an Information Society", we take on a responsibility to continue to build an information society, constantly create new opportunities for development, and work with our stakeholders to develop new, shared value for society. We use and advance our strongest assets and technologies diligently to bring people and society seamless communications, intelligent and efficient services, and a closely connected set of networks, taking us all into a brand new world.

Recognizing our many responsibilities, we play a key role in bridging the digital divide through the construction and operation of a reliable telecommunications information network. We have not only supported our parent company (China Mobile Communications Corporation) in bringing telecommunications access to more than 77,000 remote rural villages, but also helped the launch of a rich array of products and services that promote rural development and the creation of a "New Countryside." In addition, we have helped our parent company develop the TD-SCDMA network, China's own international 3G standard. As at the end of 2009, the impact and influence of TD had increased greatly: 238 cities in China have been covered by the TD network, and the number of customers who used 3G network services as at December 2009 was 3.41 million. Our

Mr. WANG Jianzhou
Chairman and Chief Executive Officer
China Mobile Limited

approach to addressing climate change has also evolved in 2009. We saved 1.8 billion kWh of electricity this year and we voluntarily agreed to reduce energy use: 20% reduction in energy use per unit of telecommunications traffic by 2012 compared to 2008 levels — equivalent to a reduction of 11.8 billion kWh of electricity during the specified period — which indicates our strong commitment to conserving energy and reducing emissions. With respect to corporate philanthropy programs, we set up the China Mobile Charity Foundation in 2009, enabling us to strengthen our approach to philanthropy and increasing our impact in areas such as helping the disadvantaged groups, supporting education, and advocating for environment protection. Meanwhile, we also emphasized the importance of employee development. By paying careful attention to protecting rights, encouraging career advancement, and creating work-life balance, we ensure that employee growth happens alongside the company's development. In 2009, we continued to be the only company in Mainland China recognized on the Dow Jones Sustainability Indexes, a continued recognition of our CSR performance.

The restructuring of our sector and market conditions have certainly posed new challenges to our sustainability approach this year. However, we firmly believe that responsible business practices are critical to finding a way to address them: through regular engagement with key stakeholders, we will identify and jointly develop new solutions that enable us to continue to fulfill our commitment of "growing together harmoniously" with society. Looking forward, we are fully and sincerely committed to leading the entire value chain of mobile telecommunications products and services towards a more prosperous, civilized, and harmonious future.

March 2010

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⦿ ABOUT THIS REPORT

This is China Mobile Limited's ("China Mobile") fourth Corporate Social Responsibility (CSR) Report, and it covers our activities between January 1, 2009, and December 31, 2009. The report has been published in both English and Chinese.

Content Selection

We have compiled this report according to the 10 Principles of the United Nations Global Compact (UNGC), the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (G3) and the GRI Telecommunications Sector Supplement, and the Guidelines for China Corporate Social Responsibility Reporting (CASS-CSR 1.0). We have also sought to align the report with the unique attributes of our business and industry.

In particular, the 2009 report covers the following:

◎ Corporate Governance and Innovation (see pages 6-10).
◎ CSR Strategy, Management, and Implementation (see pages 11-16).
◎ Our main CSR issues (see pages 17-57).
◎ The social responsibility practice of China Mobile in Hong Kong (see pages 58-59).

Report Scope

Unless otherwise stated, the case studies and data contained in this report relate to China Mobile Limited and our operating subsidiaries from across all 31 provinces, autonomous regions and directly administered municipalities in Mainland China and the Hong Kong Special Administrative Region (SAR).

Data Collection

Our data and case studies in the 2009 report is collected through the following:

◎ China Mobile data collection index
◎ China Mobile e-platform for CSR management — based on indicators developed for our CSR management system in 2008, we launched an online platform in March 2009 for tracking and managing CSR data on a quarterly basis.
◎ The 2009 China Mobile CSR Case Competition — we have been running this Case Competition since 2008 to recognize CSR excellence within the Group; external experts are invited to these events to help us select key examples of CSR leadership.

Currency

Unless otherwise specified, all monetary figures shown in this Report are expressed in Renminbi (RMB).

Unaudited Data

Except otherwise specified, the data in this Report is unaudited. Please refer to our 2009 Annual Report for the audited financial statements of the Group for the year ended December 31, 2009 and other details of our financial performance and operating results. The 2009 Annual Report as well as previous Annual Reports of the Company are available on the Company's website, www.chinamobileltd.com.

⦿ ABOUT CHINA MOBILE

〖 Company Profile 〗

China Mobile Limited (the "Company", and together with its subsidiaries, the "Group") was incorporated in Hong Kong on 3 September 1997. The Company was listed on the New York Stock Exchange ("NYSE") and The Stock Exchange of Hong Kong Limited ("HKEx") on 22 October 1997 and 23 October 1997, respectively. The Company was admitted as a constituent stock of the Hang Seng Index in Hong Kong on 27 January 1998. As the leading mobile services provider in China, the Group boasts the world's largest mobile network and the world's largest mobile customer base. In 2009, the Company was once again selected as one of the "FT Global 500" by Financial Times and "The World's 2000 Biggest Public Companies" by Forbes magazine, and was consecutively recognized on the Dow Jones Sustainability Indexes ("DJSI"). Currently, the Company's credit rating is A+/Outlook Stable by Standard and Poor's and A1/Outlook Positive by Moody's (respectively equivalent to China's sovereign credit rating).

The Company owns 100% interest in the following operating subsidiaries:

China Mobile Group Guangdong Company Limited, China Mobile Group Zhejiang Company Limited, China Mobile Group Jiangsu Company Limited, China Mobile Group Fujian Company Limited, China Mobile Group Henan Company Limited, China Mobile Group Hainan Company Limited, China Mobile Group Beijing Company Limited, China Mobile Group Shanghai Company Limited, China Mobile Group Tianjin Company Limited, China Mobile Group Hebei Company Limited, China Mobile Group Liaoning Company Limited, China Mobile Group Shandong Company Limited, China Mobile Group Guangxi Company Limited, China Mobile Group Anhui Company Limited, China Mobile Group Jiangxi Company Limited, China Mobile Group Chongqing Company Limited, China Mobile Group Sichuan Company Limited, China Mobile Group Hubei Company Limited, China Mobile Group Hunan Company Limited, China Mobile Group Shaanxi Company Limited, China Mobile Group Shanxi Company Limited, China Mobile Group Neimenggu Company Limited, China Mobile Group Jilin Company Limited, China Mobile Group Heilongjiang Company Limited, China Mobile Group Guizhou Company Limited, China Mobile Group Yunnan Company Limited, China Mobile Group Xizang Company Limited, China Mobile Group Gansu Company Limited, China Mobile Group Qinghai Company Limited, China Mobile Group Ningxia Company Limited, China Mobile Group Xinjiang Company Limited and China Mobile Hong Kong Company Limited (formerly known as China Mobile Peoples Telephone Company Limited), and operates nationwide mobile telecommunications networks in all 31 provinces, autonomous regions and directly-administered municipalities in Mainland China and in Hong Kong SAR through these subsidiaries.

As of 31 December 2009, the Group had a total number of 145,954 employees and a customer base of over 522.283 million, and enjoyed a market share of approximately 70.6% in Mainland China. The Group's GSM global roaming services covered 237 countries and regions and its GPRS roaming services covered 182 countries and regions.

The Company's majority shareholder is China Mobile (Hong Kong) Group Limited, which, as of 31 December 2009, indirectly held an equity interest of approximately 74.22% in the Company through its wholly-owned subsidiary, China Mobile Hong Kong (BVI) Limited. The remaining equity interest of approximately 25.78% of the Company was held by public investors.

〖 Business Overview 〗

We own well-known brands such as GoTone, Easyown, M-zone and G3. We have also developed a wide range of products and services for individual customers and corporate clients.

Business Performance Review
Current as of December 31, 2009

Customer base	522.283 million
GSM Base Stations	460,000
Proprietary sales outlets	53,000
Value-added business customers	463.386 million
MMS customers	147.542 million
Fetion active customers	62.56 million
"Mobile Paper" customers	49.12 million
Wireless Music Club senior members	94.80 million
Countries with GSM roaming services	237
Countries with GPRS roaming services	182

Serving Individual Customers

- Mobile Voice Services
- SMS
- MMS
- Color Ring
- Fetion
- Mobile Paper
- Handset Internet Access
- Mobile Music
- WAP
- GPRS

Serving Corporate Clients

According to the practical needs of corporate customers in management, technology and service, we have created a mobile information service plan which includes basic communication, office management, sales service, and production control – all of which provide client-centered information solutions.
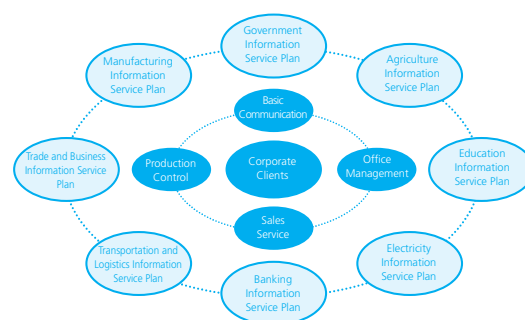
Information Solutions for Other Industries

Government Information Service Plan	◎ In cooperation with the Ministry of Housing and Urban-Rural Development of the PRC, we promoted the City Administration Service nationwide. ◎ Based on a Strategic Cooperation Agreement signed with the Ministry of Public Security of the PRC, we launched a Police Information Service for emergency response departments across China.
Agriculture Information Service Plan	◎ Co-signed the Strategic Cooperation Framework Agreement on Promoting Information Services in Agriculture and Villages and promoted an animal traceability service in cooperation with the Ministry of Agriculture of the PRC. ◎ Jointly promoted the "Ten Thousand Villages, One Thousand Towns" market development project with the Ministry of Commerce of the PRC. ◎ As at the end of 2009, the Rural Information Network had 15.38 million customers and sent 4.14 billion text messages. ◎ Hits on the Agricultural Information 12582 website ranked the top among all agricultural websites in China. ◎ Opened the first entrepreneur and employment hotline for rural workers, which received 960,000 phone calls in 2009.
Education Information Service Plan	◎ As at the end of 2009, our Campus Information Service was being used by 32.16 million people – covering all 31 provinces, autonomous regions and directly-administrative municipalities in Mainland China and 72,708 city and township level secondary and primary schools nationwide, reaching 49.81% coverage.
Electricity Information Service Plan	◎ Working closely with several electricity generation and electricity grid companies, we launched a mobile information service plan which covered production control, sales service, office management, and basic communication.
Banking Information Service Plan	◎ Developed a transaction reminder service for 18 banks which notifies customers after a transaction has been made, helping more than 200 million users to guarantee account security. The service sent more than 390 million SMS and MMS messages per month.
Transportation and Logistics Information Service Plan	◎ In cooperation with several airline and logistics companies, we designed information service plans for the transportation and logistics industry which covered four main areas, including transportation, sales, office work and telecommunications.
Trade and Business Information Service Plan	◎ With increased cooperation with companies in trade and business, we developed information service plans for the trade and business sector which covered four main areas, including operations management, sales service, office work, and telecommunications.
Manufacturing Information Service Plan	◎ Through in-depth cooperation with manufacturing companies, we developed information services covering manufacturing companies in the automobile, mechanical engineering, electronics, consumer products, textile and raw materials processing industries.

〖 Corporate Governance 〗

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 the above objectives, we have established good corporate governance practices following the principles of sincerity, transparency, openness and efficiency, and have implemented sound governance structure and measures. With respect to the key participants involved in the practice of good corporate governance, including shareholders, board of directors and its committees, management and employees, internal audit, external auditors and other stakeholders (including our customers, communities, peers, regulatory authorities, etc.), we have established and improved various policies, internal controls and other management mechanisms.

For more information about our Corporate Governance practices, please refer to our 2009 Annual Report and website www.chinamobileltd.com.

Biographies of Directors and Senior Management

Executive Directors

Mr. WANG Jianzhou

Age 61, Executive Director, Chairman and Chief Executive Officer of the Company, joined the Board of Directors of the Company in November 2004. Mr. Wang is in charge of the overall management of the Company. He is also the President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company), and Chairman of China Mobile Communication Co., Ltd. He formerly served as Deputy Director General and Director General of the Posts and Telecommunications Bureau of Hangzhou, Deputy Director General of the Posts and Telecommunications Administration of Zhejiang, Director General of the Department of Planning and Construction of the Ministry of Posts and Telecommunications, Director General of the Department of General Planning of the Ministry of Information Industry ("MII"), Director, Executive Vice President, President and Chairman of China United Telecommunications Corporation, Executive Director, President, Chairman and Chief Executive Officer of China Unicom Limited, and Chairman and President of China United Telecommunications Corporation Limited. Mr. Wang graduated in 1985 from Department of Management Engineering of Zhejiang University with a Master's Degree in Engineering, and holds a doctoral degree in business administration from Hong Kong Polytechnic University. Mr. Wang is a professor-level senior engineer with extensive knowledge and 32 years of experience in the telecommunications industry.

Mr. LI Yue

Age 51, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2003. Mr. Li assists the Chief Executive Officer mainly in relation to the legal, marketing and data matters of the Company. He has also held the post of Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company) since April 2000. Mr. Li is also a director of China Mobile Communication Co., Ltd. and was appointed a non-executive director of Phoenix Satellite Television Holdings Ltd in March 2010. He previously served as the Deputy Director General of the Tianjin Posts and Telecommunications Administration and the President of Tianjin Mobile Communications Company. Mr. Li graduated from Tianjin University with a Master's Degree in business administration, and holds a doctoral degree in business administration from Hong Kong Polytechnic University. Mr. Li is a professor-level senior engineer with over 34 years of experience in the telecommunications industry.

Mr. LU Xiangdong

Age 50, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2003. Mr. Lu assists the Chief Executive Officer principally with respect to development strategy, planning and procurement of the Company. He has also held the post of Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company) since April 2000. Mr. Lu is also a director of China Mobile Communication Co., Ltd., Chairman of Aspire Holdings Limited and Union Mobile Pay Limited. He previously served as the Director General of the Fujian Wireless Telecommunications Administration, the Deputy Director General of the Mobile Telecommunications Administration of the Ministry of Posts and Telecommunications and a non-executive director of Phoenix Satellite Television Holdings Ltd. Mr. Lu graduated from the Academy of Posts and Telecommunications of the Ministry of Posts and Telecommunications with a Master's Degree in wireless telecommunication, and holds a doctoral degree in economics from Peking University. Mr. Lu is a professor-level senior engineer with nearly 28 years of experience in the telecommunications industry.

Mr. XUE Taohai

Age 54, Executive Director, Vice President and Chief Financial Officer of the Company, joined the Board of Directors of the Company in July 2002. Mr. Xue assists the Chief Executive Officer in relation to the management of corporate finance and internal audit of the Company. He is also a Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company) and a director of China Mobile Communication Co., Ltd. Mr. Xue previously served as the Deputy Director General of the Finance Department of the former Ministry of Posts and Telecommunications, Deputy Director General of the Department of Financial Adjustment and Clearance of the MII and Deputy Director General of the former Directorate General of Telecommunications. He graduated from Henan University and received an EMBA degree from Peking University. Mr. Xue is a senior accountant with over 30 years of experience in the telecommunications industry and financial management.

Madam HUANG Wenlin

Age 55, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in September 2007. Madam Huang assists the Chief Executive Officer in relation to the corporate affairs and human resources matters of the Company. She is also a Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company), and a director of China Mobile Communication Co., Ltd. Madam Huang previously served as Director of Domestic Communications Division and Director of Communications Organization Division of the Directorate General of Telecommunications of the Ministry of Posts and Telecommunications, Vice President of China Telecommunications Corporation, Executive Director and Executive Vice President of China Telecom Corporation Limited. Madam Huang graduated in 1984 from Beijing University of Posts and Telecommunications with a major in management engineering and received an EMBA degree from Peking University. Madam Huang is a senior economist with 34 years of operational and managerial experience in the telecommunications industry.

Mr. SHA Yuejia

Age 52, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2006. Mr. Sha assists the Chief Executive Officer in relation to business support, technology and R&D of the Company. He is also a Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company) and a director of China Mobile Communication Co., Ltd. He previously served as Director of the Engineering Construction Department IV Division of Beijing Telecommunications Administration, President of Beijing Telecommunications Planning Design Institute, Deputy Director General of Beijing Telecommunications Administration, Vice President of Beijing Mobile Communications Company, Director and Vice President, Chairman and President of Beijing Mobile. Mr. Sha graduated from Beijing University of Posts and Telecommunications, and received a Master's Degree from the Academy of Posts and Telecommunications of the Ministry of Posts and Telecommunications and a doctoral degree in business administration from Hong Kong Polytechnic University. He is a professor-level senior engineer with over 27 years of experience in the telecommunications industry.

Mr. LIU Aili

Age 46, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2006. Mr. Liu assists the Chief Executive Officer in relation to network, management information systems, information security and industrial management of the Company. He is also a Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company), a director of China Mobile Communication Co., Ltd. and a non-executive director of China Communications Services Corporation Limited. He previously served as Deputy Director General of Shandong Mobile Telecommunications Administration, Director General of Shandong Mobile Telecommunications Administration and General Manager of Shandong Mobile Communications Enterprises, Vice President of Shandong Mobile Communications Company, Director-General of Network Department of China Mobile Communications Corporation, Chairman and President of Shandong Mobile and Zhejiang Mobile, Chairman of CMPak Limited. Mr. Liu graduated from Heilongjiang Posts and Telecommunications School with an associate degree and completed a post-graduate program in economics at Shandong University. Mr. Liu also received a Master of Management degree from Norwegian School of Management BI and a doctoral degree in business administration from Hong Kong Polytechnic University. He is a professor-level senior engineer with over 27 years of experience in the telecommunications industry.

Madam XIN Fanfei

Age 53, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in January 2006. Madam Xin assists the Chief Executive Officer in relation to the general administration and investor and media relations of the Company. She previously served as Deputy Director of the Foreign Affairs Division, Deputy Director of the Planning Division and Chief of the Planning Office, Director of the Planning Division, Director of the Department of Planning and Construction of Tianjin Posts and Telecommunications Administration, Vice President of Tianjin Mobile Communications Company, Director and Vice President of Tianjin Mobile, Chairwoman and President of Heilongjiang Mobile, and Chairwoman of former China Mobile Peoples Telephone Company Limited. Madam Xin graduated from Xidian University, and received an EMBA degree from Peking University and a Doctor of Management degree from Hong Kong Polytechnic University. Madam Xin is a professor-level senior engineer with many years of experience in the telecommunications industry.

Mr. XU Long

Age 53, Executive Director of the Company, joined the Board of Directors of the Company in August 1999. Mr. Xu is the Chairman and President of Guangdong Mobile, responsible for the Company's mobile telecommunications operations in Guangdong. He previously served as the Deputy Director of the Shaoxing Posts and Telecommunications Bureau, President of Zhejiang Nantian Posts and Telecommunications Group Company, Director of the General Office and Deputy Director General of the Posts and Telecommunications Administration in Zhejiang, and Chairman and President of Zhejiang Mobile. He graduated from Zhejiang Radio and Television University in 1985, and holds a doctoral degree in business administration from Hong Kong Polytechnic University. Mr. Xu is a senior economist with 32 years of experience in the telecommunications industry.

Non-Executive Director

Mr. Nicholas Jonathan READ

Age 45, Non-Executive Director of the Company, joined the Board of Directors of the Company in March 2009. Mr. Read is currently Vodafone's Regional Chief Executive Officer for Asia Pacific and Middle East Region. He is also a director of Vodafone Essar Limited, Vodafone Essar Towers Limited, Vodafone Egypt Communications S.A.E., Vodafone Hutchison Australia Limited, Vodafone Qatar Q.S.C and JIL B.V. Prior to his appointment as Vodafone's Regional Chief Executive Officer for Asia Pacific and Middle East Region, Mr. Read was the Chief Executive Officer of Vodafone UK. Mr. Read joined Vodafone UK in 2002 as Chief Financial Officer, and in 2003 was appointed the Chief Commercial Officer of Vodafone UK. Prior to joining Vodafone, Mr. Read had been the Chief Financial Officer of Miller Freeman Worldwide and the Chief Financial Officer for the EMEA (Europe, Middle East and Africa) Region of Federal Express. Mr. Read graduated in 1986 from the Manchester Metropolitan University with a Bachelor of Arts (Honours) degree in Accountancy and Finance. Mr. Read is a Fellow Chartered Management Accountant. His other directorships held in the last three years in listed public companies include Emtel Europe Plc and Mobile Telecom Plc.

Independent Non-Executive Directors

Dr. LO Ka Shui

Age 63, Independent Non-Executive Director of the Company, was appointed to the Board of Directors of the Company in April 2001. He was appointed Chairman of Audit Committee, Remuneration Committee and Nomination Committee of the Company. Dr. Lo is the Chairman and Managing Director of Great Eagle Holdings Limited, the Non-executive Director and Chairman of Eagle Asset Management (CP) Limited (Manager of the publicly listed Champion Real Estate Investment Trust). He is also a Non-executive Director of The Hongkong and Shanghai Banking Corporation Limited and an Independent Non-executive Director of Shanghai Industrial Holdings Limited, Phoenix Satellite Television Holdings Limited, Winsor Properties Holdings Limited, Melco International Development Limited and City-e-Solutions Limited. Dr. Lo is a Vice President of the Real Estate Developers Association of Hong Kong, a Trustee of the Hong Kong Centre for Economic Research and a Board Member of the Hong Kong Airport Authority and the Chairman of The Chamber of Hong Kong Listed Companies. Dr. Lo graduated from McGill University with a Bachelor of Science Degree and from Cornell University with a Doctor of Medicine (M.D.) Degree. He was certified in Internal Medicine and Cardiology. He has more than 30 years of experience in property and hotel development and investment both in Hong Kong and overseas.

Mr. Frank WONG Kwong Shing

Age 62, Independent Non-Executive Director of the Company, joined the Board of Directors of the Company in August 2002. Mr. Wong serves as an independent non-executive director of Industrial and Commercial Bank of China Limited, China and PSA International Pte Ltd, Singapore. He previously served as Vice Chairman of DBS Bank, a member of the DBS Bank and DBS Group Holdings boards, and Chairman of DBS Bank (Hong Kong). He held a series of progressively senior positions with regional responsibility at Citibank, JP Morgan and NatWest from 1967 to 1999 and served as independent non-executive director of National Healthcare Group Pte Ltd and Mapletree Investments Pte Ltd, Singapore and the Chairman of Galleon Asia Pte Ltd. Mr. Wong also served in various positions with Hong Kong's government bodies including the Chairman of the Hong Kong Futures Exchange between 1993 and 1998 . Mr. Wong has many years of finance and commercial management experience.

Dr. Cheng Mo Chi, Moses, *GBS, OBE, JP*

Age 60, Independent Non-executive Director of the Company, joined the Board of Directors of the Company in March 2003. Dr. Cheng is a practising solicitor and the senior partner of Messrs. P.C. Woo & Co. Dr. Cheng was a member of the Legislative Council of Hong Kong. He is the founder chairman of the Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. Dr. Cheng is also the Chairman of the Advisory Committee on Post-service Employment of Civil Servants. Dr. Cheng currently holds directorships in City Telecom (H.K.) Limited, China COSCO Holdings Company Limited, Liu Chong Hing Investment Limited, China Resources Enterprise, Limited, Towngas China Company Limited, Hong Kong Exchanges and Clearing Limited, Kader Holdings Company Limited, Guangdong Investment Limited and Tian An China Investments Company Limited, all being public listed companies in Hong Kong. Dr. Cheng was also appointed a director of K. Wah International Holdings Limited (a public listed company in Hong Kong) in August 2009. His other directorships in public listed companies in the last 3 years include Beijing Capital International Airport Company Limited, Galaxy Entertainment Group Limited (formerly known as K. Wah Construction Materials Limited) and Shui On Construction and Materials Limited. He is also an independent non-executive director of ARA Asset Management Limited, a company whose shares are listed on Singapore Exchange Limited, and an independent director of ARA Asset Management (Singapore) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed on Singapore Exchange Limited.

〖 Innovation 〗

In 2009, affected by the macroeconomic condition in Mainland China, we had to overcome major challenges including the increased popularization of telecommunication services, the traditional markets becoming increasingly mature, and intensification of competition. To some extent, this has slowed our growth. We addressed these challenges through continuous technical advancements, innovative business models, and expanding in new markets to provide strong support for sustainable development.

Promoting Technical Progress

In 2009, we further developed our capability for technical innovation, promoted advances in communication technology, and played an active role in supporting innovation and China's science and technology strategy.

Participating in Developing Industry Standards: We participated in and led the development of industry standards as an important way of strengthening our influence in the industry's development. In 2009, we participated in international communication standard-setting organizations such as 3GPP, OMA, ITU and IETF. We have submitted 1,432 papers of which 776 were approved.

Conducting Advanced Technical Research: We evolved our mobile Internet strategy by researching and developing advanced technologies and applications like wireless sensor networks (also known as 'Internet of Things'), Cloud Computing, distributed service networks (DSN), and other innovative research projects like RRU integrated antennas and GPS synchronization alternatives.

Promoting Technology Partnerships: We have developed partnerships with operators, equipment manufacturers, universities, and research institutes with the aim of overcoming the barriers that hinder technical innovation and business innovation: We have established an industry alliance with Huawei, ZTE, Nokia Siemens Network, Ericsson and many other manufacturers to guide the industry's technology research and product development. To support collaborative innovation throughout the company, our R&D centers at provincial and group levels work together on joint projects; in 2009, there were a total of 62 joint R&D projects, providing R&D savings of nearly 600 million yuan.

Strengthening the Safeguards of the Results of our Innovation Efforts: We attach great importance to utilizing patents to protect the results of our independent innovation efforts to ensure that our intellectual property (IP) is safeguarded. We design our internal processes to maximize our use of internal and external resources, improve our patent management systems and work to transform our technical innovation and business innovation into corporate patents. In 2009, we submitted more than 800 patent applications.

Mobile Labs: Innovation Exchange Platform

Combining the Web 2.0 Spirit of "Participation," "Contribution," "Sharing," and "Cooperation," with our corporate culture, corporate strategy and business direction, based on Web 2.0, we created a comprehensive innovation exchange platform – the "Mobile Labs" website. On this platform those from across the communications and internet industry can discuss key issues facing the communications industry such as trends, industry direction, key products, web interfaces, and other practical issues. This platform mobilizes and serves as a platform for communications professionals, including our employees, to share their collective wisdom, collaborate, and innovate. After almost a year and a half of operation, the traffic on the "Mobile Labs" website ranks among the top three vertical portals in the domestic communications industry. So far, the website has been visited 6 million times and there are up to 10,000 posts on the site per day.

The OPhone: Intelligent Mobile Phone Operating System

In 2009, China Mobile officially released the OPhone platform. The platform can offer a complete intelligent mobile phone solution to phone manufacturers, fundamentally changing China's previously passive stance where we had to follow and rely on others for communications software developments. In the meantime, the OPhone platform provides a set of integrated development tools for the developer community, and has gradually formed a new mobile software and application development environment which is increasingly used by more and more phone manufacturers, software developers, chip developers and individual developers. From this platform they have already made a large number of technical innovations, and the platform has evolved to be led by operators from the perspectives of industries, academics, research and applications, injecting new vitality into the communications sector, especially within the mobile phone industry chain.

Innovative Business Models

Driven by 3G and mobile internet, intelligence, new source and integration have become the main drivers defining the mobile communications industry. Creating a platform that is more open yet still profitable has become an issue for operators globally.

On August 17, 2009, China Mobile officially released a new platform along with its partners in the industry that demonstrates an innovative business model – Mobile Market.

◎ Mobile Market includes three kinds of applications, games, software and themes, as well as various digital content such as music, video and reading.
◎ Facing mobile customers, we are committed to creating a wide network of industry partners in the mobile phone terminal software market to meet the ever-increasing demands for security and innovation from 'smart phone' users.
◎ We brought together and supported mobile phone terminal software developers and independent developers to explore the needs of the terminal software market, with a view to ensuring the rapid development and completion of secure signature verification and ultimately the release of new products to promote profitability.
◎ We are committed to create a direct path for application developers to more easily interact with a wide range of consumers by directly involving them in sales and reducing the distance across the value chain.

As of the end of 2009, the Mobile Market website had been visited hundreds of thousands of times per day. More than 30,000 individual developers and 1,600 corporate entities have registered. Over 1 million customers have downloaded from the Mobile Market website, and there have been over 2 million software downloads.

Expanding New Markets

We took advantage of our large scale to create synergies and leveraged our successful experience in the domestic market to explore new opportunities that create value.

In April 2009, China Mobile and Taiwan's Far EasTone Telecommunications Co. Ltd. officially signed a share subscription agreement and a strategic partnership with the aim of expanding business and services in Mainland China, Hong Kong and Taiwan by providing a wider range of services to mobile users.

In addition, we have continued to create synergies from expanding in new markets. Since the acquisition of China Mobile Hong Kong Company Limited (formerly known as China Mobile Peoples Telephone Company Limited), we have seen benefits from our efforts to reduce the cost of equipment purchases and improved operational capacity and efficiency. (Please refer to page 58-59 of this report for detailed information about CSR efforts by China Mobile Hong Kong Company Limited.)

In the future, we will continue to explore different new business expansion strategies, making full use of our existing resources and partnerships that create synergies to realize our strategic goal of expansion in new territories and markets and to maximize room for creating new values.

Expanding TD-SCDMA //

We supported our parent company to promote and implement TD-SCDMA ("TD"), the first 3G mobile telecommunications international standard based on Chinese intellectual property rights. Moreover, TD presents an opportunity for the Chinese telecommunications industry to assume a leadership position in developing next-generation mobile telecommunications. In 2009, we helped our parent company address many challenges, technology standards and a comparatively nascent industry value chain being the most important. This helped our parent company to continue to proactively input, innovate, and develop to promote a healthy and rapid development of the TD industry in China.

As at the end of 2009, we had successfully done the following:

◎ The number of customers who used 3G network services was 3.41 million; new customers per month increased rapidly;
◎ Our parent company established a 650 million yuan R&D incentive fund dedicated to TD terminal and chipsets research and development with our value chain partners, effectively promoting the development of the TD terminal industry;
◎ Have committed to jointly invest 300 billion yuan in strategic agreements with 31 provinces, autonomous regions and municipalities, expanding the TD industry and creating employment opportunities for more than 100,000 people;
◎ Created multiple innovative applications for TD technology, for which the China Institute of Communications recognized us with a First Class Award in Scientific Technology.

Promoting TD Innovation

Supporting our parent company as the first company in the world to use TD technology commercially means that we need to address development and operational challenges through innovation without reference to any international experience.

Integrating Growth with Existing Systems. We are building our new TD capacities on the foundation set up by our 2G network. To ensure a smooth transition from 2G and 3G, customers can experience TD services with our "Three No Policy", that is, no need to change phone numbers or SIM card or re-register. The number of customers who used 3G network services as of December 2009 was 3.41 million.

Product and Service Innovation. We have created several new products and services for individuals, families, and corporations. More than 150 of these TD services enhance existing programs available through the 2G network, including Video Telephony, multi-media Color Ring, Mobile Video, Mobile Reading and Mobile TV. We are also working with major product manufacturers to increase research and development to enrich product variety. As at the end of 2009, TD manufacturers had developed 266 terminal models. The features and functionality of TD terminals have improved significantly.

Encouraging Innovation Across our Industry. To promote a harmonious ecosystem of 3G application research within the industry, we set up the first telecommunications marketplace – Mobile Market – run by a mobile telecommunications operator. Through market mechanisms and by providing incentives for programmers, service providers and content providers, we have integrated our business partners into the development and growth of the TD marketplace. Working with partners in our value chain, we ran a TD-service innovation competition and within 2 months, we received 388 TD application innovations, enriching reserves in TD business development.

Promoting Long Term Evolution

Looking forward, the trend for growth for Mobile Internet and the 'Internet of Things' is tremendous. We coordinated with the parent company to drive industry and technical growth for TD-LTE, ensuring that TD-LTE develops alongside international LTE technology, and making TD-LTE an important platform for the future of mobile telecommunications development. To this end, we have done the following:

◎ Ensured widespread acceptance of nationally-developed TD-LTE standards, making it the only TDD standard used for 3GPP and positioning enhanced TD-LTE as a technology standard option for future 4G networks;
◎ Boosted the industrial development of TD-LTE point-to-point services and supported government to promote TD-LTE testing. There are currently several commercial applications of TD-LTE and many more others are under development;
◎ Tested TD-LTE in international markets and cooperated with international organizations and foreign mobile telecommunications operators to establish TD-LTE test networks abroad. This has expanded the influence of TD-LTE globally and has helped us identify several TD-LTE market opportunities.

Looking forward, we will continue to support our parent company to develop TD networks and commercial applications. By increasing the speed of TD-LTE technology development, we will create the world's first TD-LTE demonstration network, and help Chinese telecommunications technology expand internationally to service global customers.

⦿ CSR STRATEGY AND MANAGEMENT

We adhere to our core corporate value "Responsibility Makes Perfection," and our CSR vision "With perfect sincerity and integrity, we will strive to fulfil our three responsibilities: economic, social and environmental." We believe that only when our business strategy aligns with our social responsibility efforts can our CSR program and our company as a whole be sustainable. With a strong CSR management system, we have ensured that key CSR performance indicators are fully integrated across our operations, striking a balance between our economic, social, and environmental performance and enabling sustainable growth for us and our stakeholders.

〖 Progress on our Five Major CSR Programs 〗

Since 2007 we have promoted our five main CSR programs. These programs – the Rural Program, the Life Program, the Culture Program, the Green Program, and our Employee Volunteering Program – allowed us to effectively manage our business in a way that addressed critical social issues. We made major strides in narrowing the digital divide, responding to emergencies, helping disadvantaged groups, promoting the development of a healthy culture, energy conservation and emissions reductions, and encouraging employee volunteering.

Using our five main CSR programs as a framework, we have been able to create a win-win situation where our contribution to society and economic growth align in a way that contributes to social development themes and stakeholder interests. Moreover, we have been able to balance economic, social, and environmental concerns through an approach to CSR management that has been consistently guided by a few key principles: helping people to help themselves, taking advantage of our unique attributes as a business, and fully utilizing the expertise of our stakeholders.

Rural Program	◎ We helped our parent company support the Chinese government in increasing telecommunications coverage in administrative villages to 99.8%, an increase of approximately 6 percentage point. ◎ As of the end of 2009, we reached 15.38 million Rural Information Network customers, and sent a total of 4.14 billion text messages. ◎ We provided easy access to services for rural users and have set up 562,300 rural service centers as of the end of 2009.
Life Program	◎ 100% of provincial subsidiaries have emergency response management systems in place. ◎ As of the end of 2009, we have dispatched emergency response vehicles 13,812 times and emergency response staff 204,754 person times. ◎ We continued to support our parent company's "Warm China 12•1" program, which provided support for 9,791 children orphaned by AIDS and other disadvantaged children.
Culture Program	◎ In order to ensure customer information security, in 2009, we implemented the "5 Bans in Customer Service" regulation in all 31 of our provincial subsidiaries to ensure a trusted and secure operating environment for customers. ◎ In 2009, through our Principal Training program, we sponsored a total of 11,000 primary and secondary school principals from Central and Western China to receive program support and management skills training. ◎ As of the end of 2009, we established 175 China Mobile Libraries and 175 multi-media classrooms.
Green Program	◎ Since initiating our Green Action Plan in 2007, we have worked to improve network efficiency; compared to 2005 levels, energy use per unit of telecommunications traffic has decreased by 49%, achieving our previous goal of reducing energy use per unit of telecommunication traffic by 40% by 2010. ◎ We actively used clean and renewable energy, with 6,372 base stations running on renewable energy as of the end of 2009. ◎ As of the end of 2009, our Green Boxes Environmental Protection Campaign was active in 100% of our proprietary sales outlets, and through the program, we recycled cumulatively 5.31 million mobile phones and accessories. ◎ We actively used our influence as a corporation to promote 7 energy efficiency standards for telecommunications equipment and build a green industry value chain, which has led to the decrease of the energy and space required for telecommunications equipment.
Employee Volunteering Program	◎ Since setting up the China Mobile Employee Volunteers Association in 2008, employee volunteering activities increased significantly and between January and September 2009, China Mobile employees volunteered 133,459 times.

〖 CSR Strategy 〗

In 2009 we followed the principles of "integration, focus, and development" to improve our CSR strategy. *Integration* is about ensuring that business and CSR strategy are integrated so we can achieve our objective to grow together with our key stakeholders (the "stakeholders") sustainably; *focus* is about ensuring that we focus on issues that are material to our stakeholders and our business; and finally, *development* is about ensuring that in implementing our CSR programs, we contribute to the development of society through innovative solutions focused on key issues.

Our CSR vision remains highly consistent with our corporate vision: "striving to become a creator of superior qualities." Looking forward, we are actively pursuing the following "4 aspects of quality innovation and excellence":

◎ **Corporate Excellence**: Through reliable products and services and responsible business models, we achieve sustainable business growth;

◎ **Industry Leadership**: Through innovation in market expansion, research and development, and partnership models, we seek to set the standard in our industry and share value with our business partners;

◎ **Contribute to Social Progress**: With our telecommunications technology and our desire to advance society, we seek to generate and share value for society, contributing to social progress and the harmonious development of society; and

◎ **Environmental Advances**: We minimize our own environmental impact while also fully maximizing the power of mobile technology to promote resource conservation and an environmentally-friendly society.

Looking forward, we have designed 6 major CSR initiatives. At the core of these 6 initiatives are several basic aspirations: to continuously innovate; to ensure high-quality operations; to align our actions with the needs of stakeholders and drive toward sustainability; to help narrow the digital divide to promote an information society and to support local Chinese innovation; to develop solutions that meet the needs of society and the environment; and to advance implementation of CSR management systems in a way that ensures that our CSR vision, needs, and targets are well-integrated into daily operations – creating a win-win for business growth and societal contribution.

Our 6 main CSR initiatives for 2010 are laid out below:

Narrowing the Digital Divide, Advancing Rural Development

We will continue to expand network access and convenient services in rural areas while also enriching the content and uses for information services in rural areas and realizing the potential of technology to advance China's rural development.

Action on Climate Change, Promoting a Low-Carbon Economy

We will promote energy conservation in our offices and network and build environmentally-friendly practices along the entire telecommunications industry value chain. We will also improve energy efficiency and e-waste management; moreover, we will create innovative information solutions that reduce emissions for us and for other industries. Finally, we will enlist the public to participate in environmental protection and effectively promote a low-carbon economy.

Information for Societal Impact, Developing an Information Society

We will enhance and increase the ways in which mobile media can positively impact people's lives. Using our 3G network and the 'Internet of Things,' we will create information solutions that drive the development of an information society, increasing speed and effectiveness of information development in areas such as transportation and logistics, food safety, municipal management, business and finance, medical healthcare, and education and culture with a view to promoting social development.

Caring for the Disadvantaged, Encouraging a Philanthropic Culture

Through the formation and operations of China Mobile Charity Foundation, we will improve the way we manage philanthropy. We will provide continued support in areas such as education, environmental protection, and care for the disadvantaged in society. These philanthropic activities will guide and encourage employees to participate in volunteering activities and be built on a platform that allows for participation from our employees and the wider public in a way that encourages the growth of a philanthropic culture.

Responsible and Reliable Telecommunications, Protecting Consumer Rights

To run a responsible network, we will provide reliable products and services to guarantee continuous and stable telecommunications access at critical moments. We will improve customer service and customer rights protection, promoting a healthy telecommunications culture that allows customers to use services without anxiety. Finally, we will strengthen electromagnetic field management and local community consultation while also promoting responsible practices throughout our industry value chain.

Strengthening Sustainability Management, Improving Sustainable Performance

We will further strengthen our ability in sustainability performance, and clearly develop a sustainability assessment and model for sustainability in our business. We will fully implement a CSR risk assessment management system and integrate CSR management into daily operations. Improving our system for stakeholder engagement, we will promote global CSR dialogues and partnerships in ways that continually drive sustainability performance.

〖 CSR Management 〗

Since 2006 we have reviewed global standards and best practice and actively sought to develop a scientific and systematic approach to CSR management. This has improved sustainability performance at our company, and for two consecutive years, we have remained the first and only Mainland Chinese company recognized on the Dow Jones Sustainability Indexes.

To continue improving the quality of CSR performance, we continued to develop, focus, and improve how CSR is integrated and managed in every part of our business.

History and Milestones: CSR Management at China Mobile

2006: Set Vision and Principles, Prepare CSR Report	2007: Clarify Strategy, Establish Framework	2008: Build Management Systems, Achieve CSR Breakthroughs	2009: Promote CSR Integration, Comprehensive Improvement
◎ Set the China Mobile CSR vision ◎ Review global standards and best practice in CSR ◎ Commence the preparation of the first CSR Report	◎ Release the first CSR report in Mainland China's telecommunications industry ◎ Introduce the "triple bottom line theory" and clarify CSR strategies ◎ Release "Policy to guide the company's CSR approach", set up framework for CSR management	◎ Set up a two-tiered CSR Steering Committee and CSR management system ◎ Create a 3 Year CSR Management Plan and the "5 major CSR programs" ◎ Run the first internal CSR case competition ◎ Set up a CSR KPI management system, successful recognition of performance through listing in the Dow Jones Sustainability Indexes	◎ Run CSR risk assessment pilots ◎ Create a China Mobile Sustainability Indexes system ◎ Establish CSR management policies ◎ Continue to be recognized on the Dow Jones Sustainability Indexes
Learn from global standards and best practice, set consistent world-class CSR objectives, and release first CSR report	Create 4 key CSR workstreams across the business, promote a CSR management system, and apply for listing in the Dow Jones Sustainability Indexes	Establish CSR KPI management system, implement "5 major CSR programs", and receive global recognition of performance	Refine CSR management approach, explore CSR risk management, integrate CSR into daily operational management

Creating an Index to Assess Sustainability

Guided by the best international and domestic theories and practice, we established a China Mobile Sustainability Indexes system in 2009, which allows us to comprehensively assess our sustainability performance and potentials. We completed our first assessment using the indexes in 2009. Reviewing the performance of all 31 provincial subsidiaries, we fully examined and identified key weaknesses in our sustainability capabilities and worked to drive towards a model for sustainability.

Managing CSR Risk Factors, Improving Performance on Key Issues

In 2009, we completed CSR risk management pilot projects to identify and improve CSR performance on key issues. In promoting responsible business standards and encouraging best practice in all aspects of business performance – from service development to operational controls – we ensured that actions across our companies align to three main principles: profitability, rationalism, and ethics. We created an inventory of CSR management risk factors that cover not only our own operations, but also the impact of our operations on key stakeholder groups that effectively focus on CSR issues. In 2009, we rolled out our CSR Risk Management system to 7 provincial subsidiaries. We anticipate that it will be further promoted in all 31 provincial subsidiaries by 2010.

Monitoring CSR Performance with a Closed-Loop System

In February 2009, our CSR e-platform officially went online. The system allows us to track the status of our CSR performance and implementation in 'real time' throughout the year. In 2009 we approached business strategy planning and CSR planning as one consolidated effort, ensuring that CSR projects and objectives are integrated into the departments' performance evaluations, creating a "closed-loop" approach to CSR management with respect to tracking performance and assessment.

Establishing Policies for Consistent CSR Management

In August 2009, we formally established our CSR Management Policies. The Policies formally describe CSR accountability structures and communication mechanisms between headquarters and our provincial subsidiaries to ensure consistent CSR management across the company. We received a First Class Award for Management Innovation in the Chinese telecommunications industry for these policies.

Looking forward, we will continue to build a culture of responsibility in our company. We will gradually ensure that responsible practice becomes a core part of our company and our employees. We will diligently strive to improve the quality of our CSR efforts, continue to operate responsibly and manage our risks, and persist in developing innovative information solutions that benefit a sustainable society and the environment. Together, these efforts will improve the sustainability of our business. Furthermore, by thoroughly considering and integrating the needs of key stakeholders into our operations, and through regular global dialogue on critical CSR issues, we will continue to work towards achieving world-class CSR performance.

〖 Stakeholder Engagement 〗

Stakeholder engagement is an interactive two-way dialogue that allows us to work with stakeholders towards common objectives. We believe that effective stakeholder engagement allows us to do the following:

◎ Understand more deeply our impact as a business;
◎ Respond more quickly and directly to stakeholder concerns;
◎ Integrate stakeholder views when making critical business decisions;
◎ Better meet stakeholder needs; and
◎ Improve CSR performance in key areas.

We have categorized our stakeholders into 7 major groups: customers, shareholders and investors, employees, government authorities and regulators, value chain partners, industry peers, and the public. Based on stakeholder type, we have developed regular mechanisms for engaging with our stakeholders.

◎ China Mobile Stakeholders

Stakeholders	Method of Engagement	Content of Engagement	Relevant Report Content
Customers	◎ Customer satisfaction surveys ◎ Customer relations activities ◎ "Walking into China Mobile"	◎ Improving service and customer satisfaction ◎ Ensuring the security of customer data ◎ Preventing spam and unhealthy content	23-29, 30-35, 43-44, 46-52
Shareholders and Investors	◎ Financial performance evaluation ◎ Daily operations ◎ Regular communication meetings	◎ Protecting and adding value to assets ◎ Managing and preventing financial risk ◎ ESG considerations from the financial community	4-5, 6-7, 8-10
Employees	◎ Employee Representative Committee Meeting ◎ Employee grievance ◎ Training ◎ Performance reviews	◎ Employee participation in company operations ◎ Protecting labor rights ◎ Employee career development	17-19, 57
Government Authorities and Regulators	◎ Daily communication ◎ Business meetings and reports ◎ Cooperative projects	◎ Meeting regulatory demands ◎ Cooperating on philanthropic activities	5, 8-10, 11-13, 20-29, 30, 53-56
Value Chain Partners	◎ Supply chain management systems ◎ Training and communication ◎ Conferences and forums	◎ Compliance, oversight, and corrective action ◎ Soliciting commentary on business processes ◎ Expanding the scope and potential of our business	8-10, 25-27, 36, 40-41
Industry Peers	◎ Conferences and meetings ◎ Working groups ◎ Regular dialogue	◎ The future and potential of our industry ◎ Improving CSR management ◎ Joint research and testing ◎ Discussing cooperative CSR projects	8-10, 13, 41
The Public	◎ Community engagement ◎ Community philanthropy	◎ Developing new mobile services ◎ Disaster relief ◎ Improving the lives of disadvantaged groups ◎ Energy conservation and emissions reductions	21-22, 27, 45, 53-57

In 2009 we further improved our stakeholder engagement management system. This year, in line with our most material CSR issues, we have focused on advancing effectiveness. This is the foundation that is crucial for using dialogue to improve CSR management and performance.

Improving How We Manage Stakeholder Engagement

In 2009, in order to further improve the quality and standard of stakeholder engagement, we released a "Guidelines for Stakeholder Management" handbook across our company. The handbook covered key issues for engagement, target groups for engagement, and channels for engagement. In addition, the handbook clarified our priorities and methods for engagement and helped to encourage consistent, effective engagement practices across our company.

To ensure that stakeholder engagement is conducted differently from traditional corporate communication, we clarified our model for engaging stakeholders, outlining three models of engagement – learn, share, and collaborate – for our company.

	Objective	Direction of Engagement	Priorities for Engagement
Learn	Monitor trends, improve performance	External to internal	Understand key trends and changes for key CSR issues; gain insight on new best practice; focused effort for self-improvement
Share	Improve mutual understanding, proactively respond to issues	Internal to external	Help to clarify our corporate position, approach, action and plan on key issues; comprehensively and accurately promote information; respond to specific stakeholder concerns
Collaborate	Identify opportunities, mutual development	Two-way exchange	Share experiences and approaches; explore opportunities for partnership; establish mutually beneficial platforms; maximize effect through partnerships that leverage mutual strengths while addressing common challenges

On this basis, we set up a three-phase plan for engaging our stakeholders. This three-phase approach helps us to systematically and consistently improve the way we engage stakeholders.

1 Building a Platform for Engagement

Learn / Share / Collaborate

◎ Identify key stakeholders and set up channels for engagement

◎ Identify critical issues and relevant trends

◎ Participate in dialogue to understand multiple outside persepctives

2009

2 Deepen Dialogue and Engagement

Learn / Share / Collaborate

◎ Employee training on key CSR issues

◎ Focused engagement with stakeholders on key issues

◎ Set up a feedback mechanism and improve how we manage engagement

2010

3 Improving Collaboration and Partnerships

Learn / Share / Collaborate

◎ Develop partnerships to address key CSR issues

◎ Through collaboration and innovation, develop creative new solutions to key challenges

◎ Increase impact and influence through mutually beneficial partnerships

2011

In 2009 we sought to understand stakeholder needs through many channels.

◎ We set up an information monitoring system which collects over 100 reports daily, comprehensively monitoring and analyzing information from more than 200 domestic and international media outlets. Through this we are able to aggregate different public views on our CSR performance.

◎ We interview key stakeholders periodically at several of our provincial subsidiaries. We do so through stakeholder seminars with customers, government officials, business partners, employees and media.

◎ Using our CSR Report as a platform for dialogue, we collect feedback on the report and use it to improve CSR management.

◎ Based on our Sustainability Indexes System and our CSR Risk Management, we hold several engagement surveys designed to solicit feedback and support from our employees and other major stakeholders. In reviewing our Sustainability Indexes System, for example, we conducted a third party survey to gather opinions with 40,473 samples, including employees, government representatives, media, business partners, and other stakeholder groups.

Focused Dialogues and Engagements ///

Focusing on issues which are important to our stakeholders, in 2009 we set up several focused dialogues and engagements on topics including narrowing the digital divide, addressing climate change, protecting customer rights, and other critical CSR issues.

Narrowing the Digital Divide	◎ Mr. Wang Jianzhou, our Chairman and CEO, wrote an essay, "Mobile Phones: Bridging the Digital Divide", in which he systematically assesses the feasibility and associated challenges of bridging the digital divide in China, as well as the best ways in which mobile technology can drive practical solutions.
	◎ In support of the National Engineering Research Center for Information Technology in Agriculture, we helped to complete a research report, "The Role of Information Communications Technology (ICT) in Rural Agricultural Development". The report systematically reviewed and provided recommendations on the role of ICT in building a modern Chinese agricultural industry.
	◎ In collaboration with Harvard Business School, we developed an MBA case study focused on our Rural Program, describing how mobile technology solutions can effectively help narrow the digital divide.
Addressing Climate Change	◎ Strengthening collaboration with the World Wildlife Fund and other international organizations, we identified ways to encourage the development of low-carbon solutions.
	◎ In May 2009, we participated in the World Business Summit on Climate Change in Copenhagen, sharing our experience and contributing to the creation of new solutions.
	◎ In collaboration with the University of Michigan, we developed an MBA case study focused on our Green Action Plan to share our practice on tackling climate change.
Protecting Customer Rights	◎ On our homepage, we have set up a special channel on customer satisfaction. We also set up a "Mobile Home" customer affinity group that allows us to solicit and collect customer suggestions.
	◎ We initiated a network-wide 10086700 channel to help us assess customer satisfaction with our customer service centers. We collected this feedback as it came in and integrated results into the management and performance reviews of our provincial subsidiaries.

In addition, we work and exchange views with industry regulators, globally recognized academics and business associations to allow us to share best practice and mutually raise the standard for CSR performance.

◎ In October 2009, our parent company signed a strategic memorandum of agreement with Cambridge University to explore partnership opportunities related to sustainable development.

◎ In November 2009, our CSR Management Team visited France and Spain to conduct research and analysis of CSR management and practices. During the visit, we met with organizations including Bouygues Telecom, DIACT, BSR, Electricite de France, France's CSR Steering Committee, Spanish consulting firm LAVOLA, Orange's Spanish subsidiary, YOIGO Telecom, Vodafone Spain and other key organizations. Through these meetings, we deepened our understanding and dialogue on topics such as European CSR regulatory trends, the development of CSR management systems, and major issues relevant to being a responsible telecommunications operator.

In 2009, we improved the effectiveness and consistency of stakeholder engagement which greatly helped us improve CSR management and implementation. Looking forward, we will continue to partner with stakeholders on key CSR issues to expand, deepen, and develop new models for meeting our CSR commitments.

"Walking into China Mobile"

Since 2007, we have carried out a major program in Guangdong, "Walking into China Mobile." Through this program, we have invited stakeholders such as customers, business partners, government representatives, media, and family members of employees to visit information experience centers, customer membership centers, company production facilities, line-worker management groups, and employee living facilities. Participants can experience our company's information services, network operations, corporate culture, and management systems at work, and provide us with feedback. As of the end of September 2009, we had run the program 10,342 times in Guangdong, representing more than 350,000 instances of participation from our stakeholders. We received more than 15,250 comments and feedback from the participants.

⦿ ENHANCING EMPLOYEE SATISFACTION

Our responsibility to our employees has always been fundamental to us and our development as a responsible company. In 2009, to ensure employees are satisfied in the workplace and in their personal lives, we continued to protect the rights of our employees, support professional development, encourage our employees to participate in corporate decision-making, and provide a suitable and harmonious working environment.

〖 Protecting Employee Rights 〗

Protecting employee rights is fundamental to our human resources management. In 2009, we continued to ensure equal opportunity in the workplace and encouraged employee diversity, insisting on the basic employment principles of equal work for equal pay, gender equality, workplace diversity, and no child labor.

China Mobile Employee Gender Distribution

- Female Employees
- Male Employees

13.88%
86.12%
Management

42.24%
57.76%
All Employees

Note: management refers to anyone at or above VP level at provincial subsidiaries and anyone at or above General Manager level at headquarters.
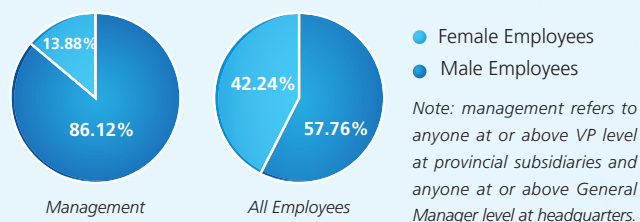
China Mobile Ethnic Minorities in the Workforce

2007 — 4.55%
2008 — 6.14%
2009 — 6.1%

We continue to fully implement the new labor law, signing comprehensive collective contracts with employees and providing them with consultation mechanisms. We established a scientific and modern compensation management system to ensure that each employee's statutory social insurance and welfare payments are made by the company.

In order to effectively guarantee employee health and safety, we have continuously strengthened our workplace health and safety management systems and policies by establishing health records for employees and providing regular medical examinations and health-related information and training, and have achieved good results.

In 2009, when faced with the H1N1 virus epidemic, we immediately launched an emergency contingency plan, providing all offices and sales outlets with masks, hand sanitizers, disinfectant liquid, thermometers and other prevention and control materials. We also implemented an extensive employee education campaign to prevent, control, and eliminate H1N1 to protect employee health and safety.

China Mobile Work-Related Employee Injury and Fatality Statistics

	2007 (1-9)	2008 (1-9)	2009 (1-9)
Fatalities (person)	0	1	0
Injuries (person)	59	7	3

〖 Supporting Professional Development 〗

We continue to provide extensive training opportunities to employees, utilizing innovative training methods for maximum effectiveness. In 2009, through a unified group-wide training curriculum, we ramped up employee training and offered online courses and developed training on information management systems as well as other innovative initiatives. In 2009, satisfaction rates for employees in training at headquarters reached 95.77%.

China Mobile Training Statistics

	2009
Number of employees trained (10,000 person times)	92.1
Training for senior management (person times)	330
Training for middle management (person times)	8,421
Training for regular employees (10,000 person times)	91.2
Percentage of employees attending diploma courses (%)	5.38
Average investment in training per employee (yuan)	2,760
Average annual training time per employee (hours)	56.7

In Anhui, we set up an innovative Mini-MBA training course for management personnel to increase our business management knowledge. The course focused on communicating corporate strategy and sharing experience in order to enhance the overall quality and ability of management, and used a combination of in-house courses and external seminars.

In Tianjin, a future talent management plan was initiated for our network monitoring employees to provide them training on network technologies outside their core areas of expertise. This allowed our employees to broaden and consolidate their professional experience. We continued to provide more opportunities for trainings and rotations in network maintenance, laying a solid foundation for expanding our technical personnel.

We also provide employees with fair opportunities for promotion and room to develop their potential and their careers. In 2009, over 27,000 employees have been promoted in our Group.

In Hebei, we established a Y-type professional development space for employees and made promotions according to the principles of impartiality, fairness and openness. Employees were assigned positions and promoted according to their abilities and merits. We also enhanced our exit mechanisms for senior managers, providing more opportunities to young and well-educated employees. In 2009, 2,910 employees received promotions in the province.

〖 Employee Communication and Participation 〗

We work to ensure our employees enjoy the right to know, the right to monitor and the right to be part of decision-making process. This helps to safeguard their rights and interests and give them a greater sense of ownership in their work. We encourage transparency and openness, and give employees a chance to influence top management.

In 2009, we set up a committee of employees from various departments in our headquarters to review and assess the need for establishing new departments and functions in the company, making this process more scientific, systematic and standardized. In 2009, 6 departments and 8 offices were evaluated in this manner.

In order to better understand the views of our employees and take advantage of their innovative suggestions to resolve critical issues in our corporate development, we carried out an in-depth employee survey and study from March to August 2009 which collected 30,000 opinions and suggestions from employees. Through an SMS poll of more than 10,000 employees, we were able to identify the 10 leading employee concerns and were able to take improvement action. While these programs gave many suggestions for improving our approach to management, they also effectively helped to build the sense of loyalty and ownership of our employees.

To ensure a broad strategic consensus throughout the group from top to bottom, our Chairman and CEO, Mr. Wang Jianzhou gave a special report on "China Mobile: Our People's Responsibility." He explained our corporate strategy, covering topics such as our aim to be an innovation-oriented enterprise, our effort to maintain our leading market position, and the Internet of Things. More than 400 people from our headquarters and our subsidiaries attended the presentation, and questions were being raised on the spot and via SMS. In total, almost 100 questions were asked on issues including responsibility of employees and self-development.

In addition, we provide effective mechanisms for communication, complaints and feedback. These include "Meet the General Manager Day," "Email the General Manager" programs, seminars, consultations and specific meetings. The programs are all designed to help us listen to our employees, engage in dialogue on critical issues, and improve employee satisfaction.

We also support trade union representatives when they make inspections and are building a better employee feedback system. Our aim is to shift the trade union from reviewing systems toward a more participatory system that gives employee representatives more opportunity to participate in decision-making.

© Mr. Wang Jianzhou, Chairman and CEO, made a special report on "China Mobile: Our People's Responsibility"

Henan	Creatively used the OA Office Network platform to hold a "Meet the General Manager Day" activity, an innovative communications opportunity attended by more than 9,000 employees across the province.
Chongqing	Divisions at all levels carry out periodic "Secretary and General Manager Communication Day" programs. We have set up a special email address for employees to submit comments and suggestions. Employee feedback is regularly collected and disseminated through "HR's online news center" and regular discussions.
Guangxi	Several subsidiaries have set up forums for meeting the General Manager and an email address has been set up to allow employees to make recommendations directly to the company's leaders.
Liaoning	The customer service center has set up a barrier-free communication platform between employees and the company. We hold regular discussions attended by the company management and employee representatives. We have also set up employee suggestion boxes and a 'public opinion through-train,' which is a system used to collect employee comments and suggestions through questionnaires.

〖 Creating a Harmonious Working Environment 〗

As society continues to quickly develop, employees face increased work pressure. We fully understand the challenges such pressure bring to the physical and psychological health of our employees and have set up an Employee Assistance Program (EAP) for employees as well as many cultural and education events. This provides needed emotional support, stress relief, and helps them achieve a better balance between work and life.

Employee Assistance Programs

In 2009, we continued to promote our Employee Assistance Program (EAP) to ease psychological pressure and improve mental health. As of the end of 2009 this program had been launched in 24 provincial subsidiaries with demonstrable results.

In Jiangsu, as at the end of October 2009, according to our management model of "One Point of Support, Multiple Points of Coverage," we rolled out a "Happiness Index Test" to 15,000 employees, our "EAP Sunshine Hotline" had provided psychological support 295 person times, our "Employee Insights" had welcomed 280 employees, our "Employee Satisfaction Center" had provided trainings 3,500 person times, the "Dr. Tao Mailbox" (which provides psychological consultation by email) had answered 823 letters. We also issued 54 editions of our "EAP e-newsletter" and had intervened in 7 instances of psychological crisis.

In Shaanxi, responding to pressure faced by employees during TD network construction, we launched a new EAP initiative called "Caring for Employee Well-Being, Sprinting toward TD Network Construction." Through this campaign, we provided encouraging messages for employees, arranged for physical exercise, and set up several competitions. The aim was to provide employees with a "healthier physical and mental state, happier work environment and a more enjoyable lifestyle".

In order to improve EAP effectiveness, from July to November 2009, along with the School of Psychology at Beijing Normal University, we organized the first phase of the "Psychology Basics and EAP Operations" training course for EAP managers. This was part of our ongoing effort to equip our in-house EAP personnel with the skills and knowledge they need to effectively implement EAPs.

Enriching the Lives of Employees

We have also launched a variety of recreational, fitness, socializing and family activities to enrich the lives of employees during their free time. With an aim to reduce work-related stress, we run several activities to improve work-life balance and increase our employees' sense of belonging. We have organized a series of activities to celebrate specific occasions such as the 60th anniversary of the founding of the People's Republic of China, a "TD Cup" chess tournament, table tennis contests, bridge contests and a "Me and My Country" employee performance. We also ran exhibitions from our Photo, Painting and Calligraphy Association that featured our employees' photographs. In partnership with the China Association of Communications Enterprises, the Photographers Society and the Communications Photography Society, we also jointly organized a photo exhibition with the theme of "Mobile Changes Life, Snapshots and Smiles, Celebrating the 60th Anniversary of the Founding of the New China".

In Guangdong, we launched the "Winning on Mobile" team management project. The goal of the project was to build a more open management culture, implement employee support measures, improve human resource management systems, and better address employee concerns. We also began a series of activities called "Three Reductions". To reduce the stress of our employees, we established 8 targets: simpler reports, fewer systems, fewer indicators, lower burden of activities, faster flow, improved learning, better use of resources, and more effective communication.

In 2009, we made tangible progress in protecting the interests and supporting the development of our employees and we also increased employee participation. Our core corporate value of "Responsibility Makes Perfection" is well-recognized by employees. In 2009, according to internal surveys, employee satisfaction rate with our corporate culture increased by 2.81 points to 84.91 compared to 2008.

In the coming year, as we face an increasingly competitive market environment, we will continue to strive to attract, train, and retain the best talent. We will continue to attach great importance to our responsibility to our employees. Our workplace needs to be a place where employees can develop and demonstrate their talent. Ultimately, we seek to ensure that our employees grow together with our business, and share in the benefit of our success.

◎ In Shaanxi, we encourage employees to exercise at the workplace to promote a healthy workplace

◎ In Sichuan, we organized various programs to support our employees

⦿ BUILDING A RESPONSIBLE NETWORK

Our basic responsibilities are to build a reliable network, protect customer interests and create a healthy communication environment. Since our establishment, we have been committed to build a responsible network and provide reliable services. We have continuously optimized our emergency management system, improving our emergency response capabilities and ensuring stable communications at critical moments. Above all, we adhere to our customers' interests by enhancing customer services and providing a stable and secure network to put their minds at ease. We have conducted customer education and promotions to advocate for a healthy and civic-minded communications culture, strengthened our research on the impacts of electromagnetic radiation emitted from our network, and improved our communication with communities. We do our best in building a responsible supply chain and enhancing the entire industry's social responsibility.

〖 Strengthening Network Stability and Quality 〗

We adhere to the concept that "network quality is the lifeline of a communications enterprise", which is the foremost social responsibility of mobile operators. To this end we have taken a series of measures to continuously strengthen our communications support capacity, improving network reliability and building a stable network that can fulfil the demands upon it during critical times.

Maintaining First-Class Network Quality

In 2009, as we continue to perfect our network, we are extending coverage to previously unconnected areas and are actively driving network optimization. We are also working hard to coordinate synergies between our 2G and 3G networks, ensuring high network quality.

Improving Network Coverage

In 2009, with our network covering almost all the whole country, we focused on further improving network coverage in remote areas and on network quality in densely populated areas, key business districts, major transportation channels and other areas with a high density of mobile communication traffic.

In Fujian, we built a base station in Houdewei of Shishi county to provide seamless coverage of the surrounding land and sea areas, resolving the weak coverage problem that affected this important fishing port and neighboring villages. This ultimately supported the development of the local fishing industry.

In Xinjiang, 14 base stations have been built along China's first, 560-km long desert highway, providing network coverage for 94.12% of the area, becoming the "communication lifeline" that serves the logistics and oil exploration companies using the road.

Optimizing Network Quality

In 2009, we further improved network quality to ensure optimal network performance and continued to maintain our leading position in network quality. To improve network quality management, we carried out a multi-dimensional monitoring and analysis of network quality, improved positioning accuracy and response times to alarms and accidents, and improved equipment management. At the same time, we worked to increase network optimization and established a network quality indicator system that is aligned with the needs of our customers.

China Mobile 2G Network Quality and Stability Indicator (Yearly Averages)

	2007	2008	2009
Wireless Connection Rates (%)	99.2	99.2	99.2
Voice Call Drop Rates (%)	0.72	0.62	0.56
SMS Delivery Rates (%)	99.10	99.35	99.47

In the future, we will maintain world-class network quality and provide reliable communication networks.

Improving Emergency Communications Support

We continue to develop our capabilities to provide emergency communications support under various extreme conditions to respond quickly in major natural disasters. This also helps to ensure that our mobile telecommunications network is reliable to meet the demand during social events and major incidents.

Enhancing Emergency Response Management

In 2009, we implemented four measures to improve our emergency communications support capabilities to make sure the communication "lifeline" is available at critical moments.

Analyzed the emergency plan system	Analyzed emergency plan system, strengthened "7 x 24 hours" duty systems during major events to increase effectiveness of emergency scheduling, on-site coordination and information transmission.
Conducted communications support emergency drills	Based on several scenario simulations, we conducted comprehensive emergency drills which were tested at random times to enhance response capability.
Established the emergency resource management system	Integrated management, scheduling and analysis into a single emergency resource management system to improve the management and organization of emergency communication vehicles, generator vehicles and other vital equipment.
Constructing disaster-resistant super-base stations	Promoted the construction of disaster-resistant super-base stations across the country to ensure at least one super-base station per county can provide communications services in large-scale disasters.

We are exploring various multi-faceted and interconnected emergency communications support solutions. These include the use of several combinations of aerial and ground systems, as well as the use of high-altitude base stations that have greater coverage, disaster-resistant "super-base stations", and emergency vehicles equipped with better mobility and flexibility features. Our aim is to restore communications as quickly as possible to assist disaster relief efforts while taking into account the needs of the public in the affected areas.

Streamlining Communications at Critical Moments

In the face of unpredictable natural disasters, we responded immediately, ensuring the safety of people's lives and properties.

In 2009, Typhoon Morakot left a trail of destruction in the Taiwan area. After the disaster, in order to address communication disruptions in the Taiwan area, we responded quickly and mobilized three small satellite emergency communications vehicles from Guangdong, Anhui and Hubei. We completed the testing and opened international communication circuits as quickly as possible before taking them to Taiwan to assist in providing communications.

In Jiangsu, in June 2009, heavy rainfalls led to power failure in a large part of Northern Jiangsu and more than 1,900 base stations were affected. In order to ensure the normal use for the nearly 2 million customers in the affected area, we immediately issued a major early alert program. More than 4,000 emergency rescue workers were dispatched and 507 emergency generators were immediately mobilized and provided power for more than 5,000 hours, successfully securing regular network operations.

In Hebei, in November 2009, a blizzard impacted Xingtai, Shijiazhuang and other cities, causing power outages at 1,217 base stations. We implemented our emergency communications support plan, dispatching 1,110 vehicles, 2,815 emergency rescue workers and 555 generators. This helped ensure network stability during the blizzard.

We have also carefully planned out effective means with our employees to provide reliable mobile telecommunications coverage during major public events.

In 2009, in order to provide communications support for the 60th anniversary celebrations for National Day in Mainland China, we set up a special communications security office, analyzed 81 workflows, updated 95 classes of maintenance operation plans, prepared 236 emergency response programs, and practiced more than 400 emergency response exercises. We constructed and expanded 167 base stations around Tiananmen Square and along Chang'an Avenue (where the celebrations and parade took place) and we invested 270 person/days on Tiananmen Square and more than 2,000 person/days behind the scenes – all to ensure stable communications for the celebrations.

In Shanghai, we researched and developed an indicator system for the World Expo to provide "the most cutting-edge technology, the most spectacular show and the most considerate service". We implemented a BSC transformation to upgrade network performance across the city of Shanghai, achieved uniform coverage in the World Expo Park and optimized the network to provide "the most cutting-edge technology, the most spectacular show and the most considerate service" for the World Expo.

China Mobile Emergency Response Statistics

	2009
Emergency Response Mechanisms Deployed (times)	5,004
Major Political or Economic Events	4,496
Significant Natural Disasters	253
Large-Scale Accidents or Catastrophic Events	62
Critical Public Health Situations	120
Public Safety Concerns	73
Emergency Response Vehicles Deployed (times)	13,812
Emergency Response Equipment Deployed (sets)	59,073
Employees Deployed for Emergency Response Purposes (person times)	204,754

Managing Electromagnetic Field Radiation (EMF)

In recent years, the increasing population density in new urban districts has in turn required us to increase network density. However, with a growing public emphasis on health and environmental protection, more and more people are concerned about the EMF from our base stations. In some cases, disputes and complaints arising from base station construction affects the construction, operation and quality of our network. Multiple tests on EMF levels emitted by our systems have shown that EMF levels from base stations are lower than those of broadcast television stations and microwaves. Our EMF levels meet China's GB8702-88 standard, which is 10 times more stringent than the ICNIRP standard released by the World Health Organization. We attach great importance to EMF management. We continue to carry out EMF environmental impact assessments to ensure our mobile communication network is in compliance with the relevant environmental protection standards. We also continue to discuss this issue with the public and local communities.

Researching Measurement Methods and Standards

In May 2008, we set up a laboratory to test and research EMF emitted by base stations. In the past year, after conducting many tests in the lab, we set up a "Base Station EMF Testing System." In April 2009, the China National Accreditation Service for Conformity Assessment (CNAS) gave our labs the "National Accreditation Laboratory" qualification, which is recognized by more than 40 countries and regions.

In 2009, our TD-SCDMA network equipment EMF testing standard was accepted as the IEC International Standard by the International Electrotechnical Union (IEC). We also participated in the preparation of the EMF mitigation technology standards of the Chinese Communications Association.

Furthermore, we completed research on Bioelectromagnetics, TD-SCDMA electromagnetic radiation and many other topics. We also commissioned independent research from experts at the Beijing University of Posts and Telecommunications to conduct research on the biological effects of mobile communication.

Managing EMF at Base Stations

We continue to improve our risk management systems for dealing with EMF. EMF management is based on the principle of strengthening internal control and combining prevention and emergency response. We construct base stations in strict accordance with national environmental impact assessment regulations and the relevant EMF standards.

In 2009, based on our "China Mobile 2008-2010 Three-year Base Station EMF Plan", we further strengthened the prevention and control of base station electromagnetic radiation risks. Along with relevant training, we invested 7 million yuan to prepare monitoring instruments, and spent 40 million yuan on environmental impact assessments, inspections, and rectification of all new base stations to ensure that our network operating base stations are in line with national standards and have complied with the legal procedures regarding environmental impact assessments.

In 2009, we completed the first EMF tests of commercial TD-SDCMA network base stations. The testing results showed that the EMF volume for all TD-SCDMA base stations meet the national standard (GB8702-88).

Improving Communication with Local Communities

In 2009, we emphasized the importance of building an effective communication approach regarding EMF. By raising awareness of EMF standards and environmental impact assessment methods, we strived to increase information transparency. In the process of constructing base stations, we engaged in proactive communication with local communities to demonstrate the results of scientific tests showing the safety of equipment in order to alleviate public concern.

In Beijing, we put together a brochure on "Promotion of Basic Knowledge of Mobile Telecommunications and EMF," which introduces base station technology and basic knowledge on EMF and the environment, as well as the relevant national standards and regulations. The brochure has been reviewed and approved by experts at the Beijing Municipal Communications Association.

In Chongqing, we developed a manual that details EMF knowledge, lists EMF Frequently Asked Questions, and cites authoritative conclusions from the World Health Organization on EMF and relevant laws. The manual also describes relevant EMF work processes, lists environmental information and provides visual aids. We dispatched employees to set up interaction teams and this manual has been explained to residents in local communities.

Looking forward, we will conduct more research on the impact of EMF. On this basis, we will improve EMF risk management and EMF testing and assessment during network construction. We will also increase public awareness of the issue and engage in meaningful, open communication with local communities.

〖 Protecting Consumer Rights, Increasing Customer Confidence 〗

We have always understood the importance of protecting customers' interests as a crucial part of being a responsible business. We continue to promote transparency and customer satisfaction, improve the protection of customer privacy, and strengthen efforts to prevent the sending of spam and unsuitable information in order to provide customers with a trusted communications environment.

Improving Customer Service

Implementing the "Customer Satisfaction 100" Program

We attach great importance to customer service and strive to improve customer perceptions. Since 2006, the theme of our annual customer service activities has been "Customer Satisfaction 100" with the goal of improving customer service levels. In 2009, we launched activities under the theme of "Convenient Service, Satisfaction 100" to promote six specific convenient services and provide customers with more convenient and more efficient services.

Monitoring and Improving Service

As we believe customer perceptions are important, every year we conduct large-scale customer satisfaction surveys, systematically analyze the findings, and integrate these into our performance appraisal systems. Overall these initiatives are designed to improve our products, channels, services, promotions, and pricing, and will help the company strive for better customer satisfaction at all levels of our business. In 2009, we launched a customer satisfaction survey column on our customer-facing website portal and established a "Mobile at Home" customer club to collect customer comments and suggestions.

We continued to improve the interfaces we have with customers through our supervision and management system. We monitor service quality through regular inspections and unannounced visits to sales outlets or calls to our 10086 hotline and other customer interfaces. We regularly test the response capabilities and success rate of website requests, using e-services in sales outlets and other electronic service channels; we have rolled out customer service evaluation systems at customer service windows in our service halls; and we launched a 10086700 short message service helpline. All of this helps us collect real-time customer feedback, and these initiatives help the company strive for customer satisfaction at all levels.

We have established a regular system of meetings to review service quality which involves leaders at all levels of the company and employees from different departments. These regular meetings aim to uncover and analyze problems, implement solutions and then monitor, manage, and report on implementation in a way that promotes awareness of customer service needs. Star individuals and teams are selected as part of the "Customer Satisfaction 100" program.

In 2009, our customer satisfaction rate remained the best in the industry, but we do clearly recognize the need to improve customer satisfaction and achieve "Customer Satisfaction 100."

China Mobile "Customer Satisfaction 100" activities

2007	2008	2009
Customer Confidence Customer Satisfaction 100 "Eight Service Commitments"	Gold Standard Customer Satisfaction 100 "Five Heartfelt Services"	Convenient Service Customer Satisfaction 100 "Six Convenient Services"
◎ Use new network protocols	◎ Carefree Networks	◎ Promote customized pricing packages
◎ Reimburse double for any billing errors	◎ Comfortable SMS	◎ Anytime-anywhere payment
◎ Issue reminders before terminating service	◎ Reliable Billing	◎ Electronic channel
◎ Provide clear and transparent information on fees and charges	◎ Always-Accessible Channels	◎ Redeeming Loyalty Points at Home
◎ Implement customized customer confirmation	◎ Easy Billing	◎ G3 Accessible Business services
◎ Respond to customer complaints within 48 hours		◎ Self-Protection from Spam
◎ Convenient electronic business services		
◎ Special hotline to report spam		

Consumer Transparency

Payment and billing are very important issues to our customers. In 2009, we worked to ensure that payment and billing systems are managed to the highest and strictest standard. Through increased communication with and disclosure to customers, we sought to create transparent payment and billing practices.

Improving Billing Accuracy

In 2009, we continued to focus on ensuring accurate billing, specifically for our expanding 3G business, and upgrading our billing system to handle the integration of 2G and 3G services. We also improved the system performance to provide customers with more detailed, real-time information on pricing and business volume. On the management side, we continued to improve our internal controls and management on business processes from pricing statistics to billing to further improve our billing accuracy rate.

In Guangdong, we completed an important milestone for real-time 3G businesses, building the world's largest online billing system and putting it into operation.

Adjusting Pricing Packages

In response to suggestions from customer satisfaction surveys, we continued to adjust our pricing packages and increase their transparency. We streamlined and improved pricing packages according to customer needs and consumption habits, which was effective in promoting our services to customers.

In 2009, as part of our "Convenient Service Customer Satisfaction 100" service activities, we adjusted targeted pricing packages as part of a customized pricing package activity. We simplified the design of our pricing packages by launching various incentive schemes under each brand, as well as cancelling the differential pricing that exists between sending SMS and MMS to the same network and to different networks. The mainstream packages were clarified after these adjustments were made, resulting in a large reduction in related complaints. The preferential data pricing packages also enabled the rapid growth of mobile phone Internet users.

Guidance on Pricing

In 2009, we improved our guidance on pricing by introducing a shopping guide software for our front-line employees and providing more training for them. We also increased our marketing activities to explain different pricing packages and provided customers with information on different pricing so they can compare and select the best pricing for their own consumption habits and needs, using our pricing shopping guide service, pricing calculators and personalized billing.

We further improved our pricing communication systems and encouraged better management of mobile data traffic by providing customers with reminders of their data traffic and package balances, thereby increasing customer confidence.

In Jilin, we improved our pricing guidance and strictly regulated the communication our customer service representatives have with customers on pricing: in sales outlets we prominently displayed pricing guidance material, installed the pricing shopping guide software on self-service terminals, trained and required front-line service employees to use a "five-step method of communication" to introduce and promote pricing, provided improved pricing analysis, provided a communications platform on our website, and provided analysis and recommendations of customer usage information and pricing options on customers' bills.

In Heilongjiang, we launched the "Experience our Service First, Be More at Ease" business process. This allows customers to enjoy free trials of all monthly subscription information services, and reminds customers of their subscriptions at the end of the trial month by SMS via 10086, helping customers to avoid subscribing services with the few unscrupulous service providers.

◎ In Shaanxi, a customer communication event was hosted on March 15, Consumer Rights Day

Protecting Customer Privacy

Protecting our customer privacy is an important part of our customer relationship management. We have always used leading international technology to develop multiple network security precautions and work continuously to improve customer privacy protection, in order to prevent customer information from illegal theft and usage.

Information Security Management Systems

We attach great importance to protecting customer information and customer privacy through policies and processes – for example, we incorporate customer rights, account access management, privacy protection and limits on use of customer information clearly into our customer service contracts. In the process of business development, we have taken a number of pre-emptive measures to improve privacy protection and effectively manage risks.

We have developed strict rules for our partners about information security. We require all partners to sign a "Security Agreement" to strictly protect customer information and prevent illegal distribution and leakage.

In 2009, we improved our information security management system, set up a customer information security committee, and updated the Customer Information Security Management Measures. Since July 1, we have implemented the "Five Bans for Customer Service," which govern and clearly define the operation authority related to customer information in business processing, law enforcement cooperation and service partner management. We explicitly prohibit disclosure of information related to customer transaction data and have set up clear consequences for non-compliance. We require all employees who may come in contact with customer information to sign a confidentiality agreement obligating them to protect the security of customer information. At the end of 2009, we set up an Information Security Department at our headquarters to strengthen customer information protection.

Information Security Controls

For systems related to sensitive customer information, we conducted data security analyses and from a management and technical point of view, we continued to upgrade our customer information security management and control capabilities. We continuously improved our management techniques and methods, developed equipment security specifications and verification tools, reinforced certain equipment and

systems, improved system authentication, strictly investigated system flaws, strengthened operational logs, set up on-site and remote inspection systems, and built a security management and control platform across the whole network to improve our network security protection capabilities. This platform will go into operation in the first half of 2010.

In 2009, we established customer information leakage and monitoring mechanisms and developed special inspections and control procedures internally. After conducting self-audits and rectification in provincial subsidiaries, our headquarters then reviews and employs a professional organization to audit our customer information security management for risks, and takes corrective action as necessary.

Through the implementation of measures that enhance information security management, the number of customer complaints related to customer information security decreased significantly in 2009, and a system was created to ensure information safety and continual improvement in the quality of data management.

Customer Awareness of Information Security

We have continued to focus on guiding and training our customers to develop good habits in using mobile communications, and improving customers' awareness of information security issues. In 2009, the "information steward" service was developed on our Monternet for customer download that helps customers intercept and report spam at their own initiative.

Looking forward, we will continue to improve our capability on data security management, gradually developing a unified and systematic approach to data security that manages and decreases risk. We will also develop a long-term strategy for reviewing our own performance and create a centralized data security management system.

China Mobile Policies for Protecting Customer Information

◎ Five Bans for China Mobile Customer Service
◎ Customer Information Confidentiality Management Regulations
◎ Increasing Data Security for Topics including Customer Location and Positioning
◎ China Mobile Security Audit Management Regulations
◎ China Mobile Account Password Management Regulations
◎ China Mobile Remote Access Security Management Regulations
◎ China Mobile System Service and Port Security Management Regulations
◎ Provisional Measures for Removable Storage Media
◎ 13 kinds of equipment security functions and configuration specifications

Privacy Management in China Mobile Services

◎ Mobile payments: through system measures to restrict or provide access controls, conduct security audits, and address network attacks and viruses, we have strengthened the technical protection for customer information, drawing on the experience and standards of financial institutions to enhance security.
◎ Mobile Music: protect customers' music libraries, customized music, music portal registration information and other privacy information. For example, the Color Ring Back Tone (CRBT) database information is only viewable by the user, and only the customer can determine whether the contents of their music library can be shared or seen by others, with the default setting being that information is not to be shared with others.

Advocating for Healthy Communication

With its increasing popularity, mobile phones have become one of the most important ways of cultural communications. However, while we aim to strictly control spam and undesirable content, we are also aware of the immense opportunities that mobile phones can provide for improving communication and a healthy telecommunications culture.

Managing Spam Messages

Spam messages are a social nuisance and a major cause of customer complaints, making it one of the main issues which we are highly concerned about. Our approach to the problem is based on the principle of "effective guidance and regulation" – we encourage self-regulation in the industry, but also operate according to relevant legislation, cooperating with government departments and the public to combat spam.

In 2009, we increased our efforts to manage spam. Taking an incident of customer information leakage by provincial subsidiaries that was exposed by media on March 15, 2009 as an opportunity, we strengthened our human resource management, improved certain key management linkages, strengthened supporting systems, and introduced spam prevention services as part of our efforts to establish an effective long-term mechanism to control spam. As of the end of 2009, we had cumulatively blocked more than 10 billion spam messages and resolved more than 15 million customer complaints related to unhealthy content.

In 2009, we also revised and improved our customer subscription agreements, clearly setting out the terms on how to deal with situations where customers send illegal information or bulk commercial advertisements sent without consent.

Managing Service Providers

As a telecommunications operator, we are acutely aware of our responsibilities to provide guidance and management to service providers (SPs) and have therefore established a comprehensive assessment system for different types of SPs to evaluate them on providing trustworthy service, dealing with customer complaints, and other indicators. We regularly assess them, rewarding strong performers and disciplining poor performers to help guide and inspire SPs to operate honestly in order to promote the sound development of the industry.

In 2009, we continued to improve our management mechanism for SP information services. In each province we have established a multi-dimensional system to identify unhealthy content on our Monternet and have developed a number of technical business authentication measures to prevent SPs from sending unhealthy content to users through the portal.

China Mobile Statistics on Managing Unhealthy Content

	2007(9-12)	2008	2009
Number of spam messages blocked (cumulative, 100 million)	10	54	100
Number of customer complaints related to unhealthy content addressed (cumulative, 10,000)	71	763	1,500

Note: The 10086999 customer complaint hotline was established in September 2007.

Managing Spam: A Comprehensive Approach

When an incident of customer information leakage at our provincial subsidiaries was exposed by the media, we immediately convened a company-wide video and teleconference meeting and organized a thorough investigation, initiated disciplinary procedures against the responsible employees and strengthened our customer information security management. Our response covered four main activities:

First, we instructed our provincial subsidiaries concerned to quickly investigate and discipline the offenders. We required all provincial subsidiaries to immediately investigate the issue of spam messages and customer information irregularities, carry out detailed internal audits and rectify any problems found, block any loopholes and protect the interests of customers.

Second, we asked provincial subsidiaries to strictly manage bulk SMS services, improve spam SMS "7 x 24 hours" reporting and response systems, and respond in a timely manner to customers.

Third, for customer information security problems, we required strict controls over access to customer information and thoroughly investigated any system flaws to ensure the system's security.

Fourth, we used the "Customer Satisfaction 100" activities as an opportunity to launch a new round of nationwide customer service enhancement projects, particularly focusing on investigating the issues which customers are most concerned with and blocking any loopholes to ensure that customers interests are not infringed.

Preventing Unhealthy Content

While the rapid development of mobile Internet can facilitate work and enrich lives, at the same time, as an information carrier and communication channel, it can be used to spread pornography and other unhealthy content which negatively influences society. In December 2009, nine major national government agencies in Mainland China worked together and launched a nationwide long-term program to address and manage inappropriate and pornographic content transmitted across mobile media and mobile Internet platforms.

We have also paid great attention to preventing the dissemination of unhealthy content through our network, and have adopted targeted measures to address this issue. Currently, the unhealthy information on our network mainly comes from two types of sources, one is the SPs which have service contracts with us, and the other is independent WAP websites who have no relationship with us but broadcast information over our wireless network. Due to different control rights, we have taken different measures for these two different sources.

For SPs, we have strengthened our management to investigate and address loopholes and non-compliant SPs. Firstly, we have set up a special investigation working group. When it discovers that SPs or content providers who have broken our regulations, the working group would adopt a series of immediate measures to address the problem, such as closing the channel, terminating contracts and stopping access. For service providers who have billing agreements with our WAP business, we would suspend their payments and investigated them thoroughly, and would ask relevant providers not to utilize third parties like advertising groups to promote their business, thus ensuring compliance and information security.

For independent WAP websites, we have thoroughly investigated those who were connected though our IDCs and re-signed agreements with ISPs. We also clearly defined activities such as sub-leasing, filing and access of ISP and agents. With customer complaints, we encouraged self-inspection and removal of unhealthy content and websites, investigated records and website content carefully, and immediately dealt with any problems found. We have established a rapid processing system to deal with problems by immediately quarantining websites and terminating collaboration with related ISPs or customers.

Additionally, we have mobilized the public to report sites with pornographic content, providing them with fast and easy ways via their mobile phones. We publicized a telephone number (10086), a number for sending SMS (10086999) and an e-mail address (10086666@chinamobile.com) as part of our attempts to involve the wider community to prevent and manage this problem. We have rapidly mobilized resources to increase the inspection and blocking of pornographic content. The three main ways we are able to identify and block pornographic websites is through manual search, public complaints, and media reports.

Despite the progress that has been achieved through these measures, many challenges remain: some sites have set up false registrations, some have registered overseas, some sites constantly change their domain names, some sites have limited their accessibility to only allow access via mobile phones, and some sites have set up false fronts for inspection, which makes management of these tough issues more difficult.

To fully address this problem in the long term, we need a long term monitoring system that enlists cooperation from across our value chain and from the public. On December 16, 2009, we worked with more than 100 other mobile Internet companies to sign a voluntary guideline, "Mobile Internet Service Industry Management Guidelines". These principles are meant to strengthen the self-regulation of our industry and ensure safe content across our network.

Going forward, we will increase our ability to identify unhealthy websites and prevent inappropriate content. We will continue to learn from international experience on establishing relevant management systems, take the relevant measures to improve our technical abilities if needed, expand and improve our monitoring system for preventing unsuitable content on WAP websites, and develop more efficient and more effective methods for identifying and preventing unhealthy content in line with the relevant laws and regulations in China.

Promoting a Healthy Mobile Phone Culture

At the same time as we work to prevent the dissemination of unsuitable information, we also use new media on mobile phones to promote a healthy communication atmosphere and use public service messages in a variety of ways to encourage a healthy, civilized and progressive communications culture.

In order to celebrate the 60th anniversary of the founding of People's Republic of China, we launched the "Bless our Country" public SMS relay. It has become a success, with the public creating, downloading and forwarding 64.34 million SMS messages, creating a warm festive atmosphere. Within a 20-day period before and after the National Day, the daily volume of SMS messages being forwarded exceeded 1 million. We promoted the activity 682 times through our 10086 portal, reaching 144 million users and sending 235 million SMS and MMS messages. The activity generated 4.5 million yuan from SMS communications, all of which was donated to the China Foundation for Voluntary Service. This activity took full advantage of the SMS platform, by which people can express their patriotic enthusiasm and promote a healthy mobile phone culture.

Looking forward, we will work with key stakeholders in society to continually strengthen our ability to manage unwanted content and spam messages. In improving our management processes and by strengthening our technical capabilities, we will proactively respond to customer complaints and work diligently to develop services that promote healthy content transmission. Together, we will build a healthy environment and culture for mobile telecommunications.

Services for Special Groups

We provide services for the world's largest mobile communication customer base, which necessitates taking into account the individual needs of special groups in our business development and customer service. This includes customizing products to facilitate their use of our services.

Services for Ethnic Minority Groups

We respect the unique characteristics – language, religion, and culture – of our ethnic minority customers, providing specialized communication products and customer services for them.

In Xinjiang, we continued to upgrade our popular Uighur-language online service center which had been visited 300,000 times during the period from January to October 2009. We also developed a mobile phone input method for multiple ethnic minority languages, and opened a Uighur-language 12580 Information Service Center.

In Xizang, we worked together with the Xinhua News Agency to provide local language mobile phone users with information services on news, science and technology, weather and other topics free of charge.

In Gansu, the Hui, Dongxiang and other ethnic minorities account for 99.5% of the population of Sanjiaji in Guanghe County. We maintained a sense of this local identity through our bilingual sales outlets.

In Jilin, we launched a SMS service in Korean for our Korean ethnic minority mobile phone users.

In Neimenggu, we introduced a Daur Language Desk in Hulunbeier.

Services for the Disabled

We have developed a number of businesses and products for people with disabilities, such as preferential SMS packages for the speech or hearing impaired and customized text-speaking phones for the visually impaired. In order to help those with disabilities communicate, we have developed a special mobile information platform and have built barrier-free access and priority service seats in our customer service centers.

In Beijing, following the launch of a series of activities to help the disabled for the occasion of the Beijing 2008 Paralympic Games, we worked together with the China Disabled Persons Federation and Beijing Disabled Persons Federation on May 14, 2009 under the theme of "Convenient Services, Using Communications to Help the Disabled." During 2009, we promoted six new measures to help the disabled and ensured barrier-free access to 258 proprietary sales outlets, established priority windows for disabled customers, and produced the China Mobile Braille Service Manual to help the visually impaired understand our mobile services.

◎ We designated May 2009 as "Caring for the Disabled Month" and have organized various activities to help the disabled;
◎ We produced a specific information product, the "Love Express Newspaper" free of charge;
◎ We built an ESMP (Enterprise Short Message Platform) Corporate Information Service for the 6,000 volunteers for helping the disabled across the city;
◎ We actively promoted inspirational films and provided motivational messages;
◎ We sent "5•17 National Disabled Day public service messages" to Beijing mobile users;
◎ We donated 39,000 yuan of mobile phone credit.

◎ In Beijing, we launched 6 major service programs to support the disabled

Services and Information for the Disabled

New Services	◎ In Guangdong, we developed and promoted a customized phone for the visually impaired that can read information out loud. ◎ In Sichuan, we developed various activities to help the visually impaired, promoted a customized phone, developed special pricing packages, and donated 40 customized phones along with mobile phone credit in Bazhong. ◎ In Hebei, we provided mobile phone credit for more than 100 visually impaired and speech or hearing impaired people.
New Communication Platforms	◎ In Fujian, we opened the first channel for disabled people on Xiamen's "Wireless City" portal website to provide the disabled with information on relevant laws and regulations, available resources and other sources of information. We also donated Internet access pricing packages and established a mobile phone forum and blog to serve as a convenient platform for the disabled and their friends to exchange information. ◎ In Ningxia, we launched a philanthropic activity to donate mobile phone credit and create a communication platform for the disabled to access through China Mobile agents' service machines and SMS.
Barrier-Free and Specialized Customer Service	◎ In Jilin, we set up special channels and stations in our service centers for the disabled to use and also recruited sign language teachers to explain our services and products. ◎ In Heilongjiang, we installed wheelchair-friendly entrances and handrails for the elderly and disabled in our sales outlets. ◎ In Tianjin, we provided special services and a service hotline for the disabled and elderly. ◎ In Guizhou, we gave the disabled and elderly priority at service centers.

Services for the Elderly and Youth

We make a real effort to address the special needs of groups such as the elderly, the youth, and the mentally disabled. We customize special mobile services and take extra care in helping them to enhance their safety and make their lives easier.

In Chongqing, we launched specific services for the elderly and children, which, as of November 2009, had more than 70,000 customers. The service for the elderly can provide location-positioning functions so their children can identify their location at all times. The service for children is customized to look and feel like a cartoon, and restricts the numbers the children can call or receive calls from, so parents do not have to worry about their children receiving calls with unhealthy content.

In Shandong, we provided specialized pricing package and customized mobile phone for the elderly. We launched a pricing package for primary and secondary students that had location-positioning functions, call restrictions, low-cost services, studying capabilities and no games, which was popular among parents and gained 4,000 customers within the first month of being launched.

Special Services for the Elderly and Youth

	Characteristics and Needs	Customized Products and Services
Elderly	Restricted movements, deteriorated memory and decreased vision and hearing.	Customized mobile phone with large fonts, large keys, and loud sounds that are easier to operate. Extra functions includes radio, flashlight and hearing aid.
Youth	Parents are concerned about excessive use of communication tools, increased risk of accessing or using unhealthy content, and the need to limit communication abilities.	Customized mobile phone with the ability to restrict access to games, restrict Internet access, and restrict calls to certain numbers.
Elderly and Youth	May need help urgently, families need to know their location and confirm their safety.	Customized mobile phone and services with a shortcut key just for emergencies, pre-set speed dial numbers for help or meals, housekeeping services and other useful services, and positioning functions through SMS or web-based platform).

Services for Users Travelling Overseas

While we actively develop our international communications services, we also provide a roaming greeting SMS for users who travel overseas which provides contact numbers for embassies and consulates, emergency phone numbers, as well as safety tips related to natural disasters and emergencies. The service has successfully sent out SMS reminders in relation to major emergencies to tens of thousands of customers, including reminders in relation to the tsunami in Southeast Asia, the Mexico H1N1 flu epidemic, terrorist attacks in Mumbai, India, and the critical situation in Thailand.

We have also established a free 24-hour customer service hotline for customers roaming internationally or in Hong Kong, Macao and Taiwan. This helps them deal with service problems, save costs and make it easier to use our services.

"Network Nursing Homes"

In Xinjiang, we partnered with the residents of Shihezi City to jointly develop the "Network Nursing Homes" to provide services to the elderly in the community, so the elderly would have someone to depend on and have activities to enjoy.

◎ Community "Speed-Dial": Mobile phones with built-in "Speed-Dial" functionality which can access 15 on-site services for the elderly, such as medical aid, meals, property repair, merchandise distribution, appliance maintenance, housekeeping services and volunteer care.

◎ Community "Elderly Network School": Provides broadband Internet access for community-based mobile information service stations, allowing the elderly to enjoy the convenience of free broadband Internet access.

◎ Build community-based information exchange platform: Set up electronic information archives for the elderly in the community, provide mobile phones for the elderly and family information terminals, install call service machines at community service stations, and enable the elderly to get emergency medical assistance services through SOS alarms.

Looking forward, we will learn from best domestic and international practice to better analyze the needs of special groups in society, combining our past experience, providing them with a tailored set of products and services that benefit their lives.

◉ NARROWING THE DIGITAL DIVIDE

According to China's National Engineering Research Center for Information Technology in Agriculture, telecommunications companies have a foundational role to play in advancing rural development. High quality telecommunications services and information resource management are both foundational to building a New Countryside. Increased telecommunications coverage, information solutions, and the narrowing of the digital divide are all closely linked to improving rural production, increasing rural incomes, building a New Countryside, and improving the skills of Mainland China's rural citizens.

Narrowing the digital divide and advancing rural development have always been a priority in our CSR efforts. We have had the explicit goal of using three networks – our Basic Infrastructure Network, our Rural Information Network, and our Network of Rural Sales Channels – to benefit rural businesses, rural villages and rural residents. Using mobile telecommunications technology, we are playing an active role in building a New Countryside.

〖 Infrastructure and Service in Rural Areas 〗

We have worked consistently to ensure that rural residents have access to, and can afford and derive real value from mobile telecommunications services. To this end, we have continued to improve rural telecommunications – expanding and improving the reach and quality of our mobile telecommunications network.

Network Coverage in Rural Areas

Since 2004, we have helped our parent company to make active progress on the government's Village Connected project, playing a key role in implementing more than 51% of the program's set objectives. In remote areas reaching far into Sichuan and Xizang, where the lack of good transportation infrastructure has posed obstacles, we have made great efforts to expand network coverage. This has brought modern telecommunications and information services to remote areas, driving local economic development.

As of the end of 2009, our parent company had invested a cumulative total of 25.3 billion yuan in the Village Connected project. As a result, more than 77,000 remote villages are now covered with our mobile telecommunications network. We met our commitment and helped to increase coverage to 99.8% of China's administrative villages and 93% of natural villages.

In 2009, our parent company expanded coverage to 1,871 administrative villages across five provinces: Neimenggu, Heilongjiang, Sichuan, Xinjiang and Xizang, solving communications issues in unconnected administrative villages, forests, and farms.

Moreover, in 2009 we expanded coverage to 14,218 natural villages across 22 provinces: Hebei, Shanxi, Neimenggu, Liaoning, Jilin, Heilongjiang, Zhejiang, Anhui, Fujian, Jiangxi, Henan, Hubei, Hunan, Hainan, Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu, Qinghai, and Xinjiang to solve communications issues.

In Xizang, after three months of challenging construction, we met our goal of expanding coverage to the remote town of Chentang, Xizang. Chentang's remote and challenging physical terrain – as well as lack of road access across a 28-kilometer stretch that required four hours to traverse – made construction extremely difficult. Our employees persevered despite the challenges they faced, carrying base station equipment and spending nearly 100 days to construct the Rikaze (Shigatse) Chentang satellite base station. By enabling mobile telecommunications and information access, the base station has made a valuable contribution to local economic development and quality of life.

China Mobile Parent Company Village Connected Project Statistics

|	2007	2008	2009
Cumulative Number of Administrative Villages Covered via our Village Connected project	39,784	41,843	43,714
Cumulative Number of Natural Villages Covered via our Village Connected project	5,367	19,904	34,122

◎ In Xinjiang, we built base stations in the Tianshan Mountains

◎ In Xizang, we completed the Village Connected Project in Motuo county

◎ In Guangxi, we made great efforts to implement the Village Connected Project
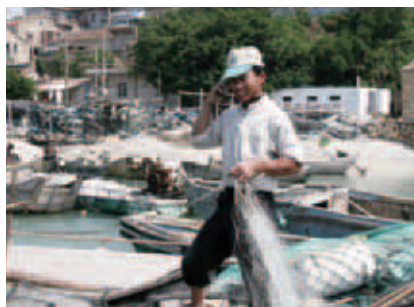
◎ In Fujian, we built a base station on a costal island to extend network coverage

◎ In Shandong, we extended service network to villages in rural areas

◎ In Xinjiang, villagers in the remote Qipan township in Yecheng county started using mobile phones

Network Quality in Rural Areas

In 2009, we increased our efforts to maintain and improve network quality in rural areas by addressing three common challenges: power supply, network transmission and "satellite transmission.

Key Efforts: Improving Rural Network Quality

Power Supply	◎ Improved power supply hardware and promoted our "Indoor Outdoor Off-Switch Battery" method
	◎ Improved power monitoring and contingency planning, installation of quick-response power generation hardware
Network Transmission	◎ Conducted on-site assessments of transmission network conditions in rural areas
	◎ Streamlined rural access networks
Satellite Transmission	◎ Strengthened maintenance and management for satellite networks
	◎ Increased spare part inventories
	◎ Strengthened network security management

Access to Service in Rural Areas

To ensure that mobile telecommunications is affordable to rural residents, we continued to promote three major principles in our rural markets: "Lower ARPU (Average Revenue Per User Per Month), Lower MOU (Average Minutes of Usage Per Month) and Lower Cost." We continued to manage rural market development by promoting several specially-priced local calling packages. For example, we have special pricing packages for rural users who primarily use their phones within limited geographies, allowing for significant cost savings.

We have also made sure that our sales channels reach far enough for rural users to conveniently subscribe to services. In 2009, we enhanced our Rural Sales Channel Management System, allowing our rural sales systems to go beyond the original two-tiered model (that managed rural sales channels at city and county level) to a three-tiered model (that manages rural sales channels at city, county, and township level). In addition, we enhanced local control by setting up rural sales centers as well as rural operation support systems to better analyze local markets. Together, these efforts improved our operations and effectiveness in rural markets.

Working closely to help the national government implement its rural development policies such as "Home Appliances Going to the Countryside", we worked to materially lower the cost of rural telecommunications.

In Guizhou, we set up a unique set of partnerships to ensure access to service in rural areas. With support from government subsidies, through operation with mobile phone manufacturers, and by taking advantage of our own vast sales and service network, we provided free minutes, service access, low-cost mobile phones, and mobile phone maintenance through nearly all of our rural sales channels. In addition, we greatly expanded rural sales channel coverage, ensuring 100% sales channel coverage in rural villages, giving local users a one stop shop for mobile phone purchasing, business services and maintenance services.

In Fujian, in partnership with the Fujian Provincial Economic and Trade Commission and the Fujian Provincial Department of Finance, we launched a program called "Easy-Own: Mobile Phones in 100 Townships", a program designed based on China's "Home Appliances Going to the Countryside" program, which provides rural residents a 13% government subsidy when purchasing a mobile phone. We also provided free minutes and other benefits to rural users, helping them manage their mobile telecommunications costs. On site, we have set up several helpdesks for rural residents to apply for subsidies available under China's "Home Appliances Going to the Countryside" program.

China Mobile Rural Network Quality

	2008	2009
Rural Network Coverage Rate (%)	97.35	99.72
Rural Network Call Connection Rate (%)	96.92	99.73
Rural Network Call Drop Rate (%)	0.75	0.17

Number of Rural Sales Channels (10,000 sites)

2007	40.62
2008	43.25
2009	56.23

〖 Mobile Applications Aiding Rural Development 〗

Despite major advances in building a New Countryside, many challenges remain. There is a need to expand the production of the rural industry in Mainland China, improve the quality of life for rural residents, and find better ways to systematically manage rural areas. Widespread information access – 'informatization' as it is commonly called in China – can be a major driver for transforming traditional business and driving economic development in rural areas.

In 2009, we continued to speed up the pace of expanding information services into Mainland China's rural areas. Using our information services and our Rural Information Network, we built a platform for information solutions that materially benefit the people and their lives in Mainland China's rural areas.

Improving our Rural Information Network

Since 2006, we began efforts to create a unified nationwide Rural Information Network – a service platform built to provide information regarding the needs of rural residents, rural businesses and rural authorities. In 2009, to better serve rural residents, agricultural enterprises and rural governments, we completed the third full-scale upgrade of our Rural Information Network, enhancing operational capabilities and allowing for needs and services for new product development, production, and distribution as well as a centrally-shared information database to be accessed and utilized across the country.

In the last three years, through the development of the Rural Information Network, we have set up a platform that allows rural users to access and share information – a platform that aims to help them improve their livelihoods. As of the end of 2009, the Rural Information Network had 15.38 million customers. We had an average of 33,000 calls per day to our 12582 Rural Information hotline service, and had approximately 700,000 hits on our www.12582.com Rural Information Network website. The Rural Information Network has become a main channel through which rural residents access information on rural production and development.

China Mobile Statistics of Rural Information Services

	2007	2008	2009
Agricultural Information Service customers (10,000)	2,643	3,868	4,614
Rural Information Network customers (10,000)	627	1,248	1,538
Number of Agriculture-Related Items Posted on the Rural Information Network website (10,000 messages)	192	392	559

◎ In Hebei, local farmers used a handwriting function to write messages at a rural information terminal

◎ In Fujian, tea farmers visited a famous local tea website using our mobile service

Enhancing Rural Information Services

While upgrading our Rural Information Network, we have also worked alongside national and local governments to actively promote rural informatization. We developed a suite of new rural products and services that have helped to drive development in rural business and trade. Moreover, these services have helped to address employment challenges in rural areas and increase financial service capabilities.

Due to the diversity of information demands in rural areas, we have enhanced our Agricultural Information Service, using SMS, voice service and the Internet to set up multiple rural information categories:

◎ Agricultural Seasonality Guidance: Timely weather forecasts as well as updates on agricultural production issues
◎ Agricultural Industry Information: Information on specific industries relevant to local farmers and traders
◎ Pricing: Information on local market trends with up-to-date pricing data for agricultural products and services
◎ Supply and Demand Information: Connections for buyers and sellers of different products and services
◎ Agricultural Resource Information: Latest updates on fertilizer, mulching film and other products needed for agricultural production
◎ Best Practice: Allows people to share stories of agricultural success.

Facing challenges on rural employment during the global economic crisis, we enhanced our "Rural Recruitment Network" service. In 2009, the hotline for this service was used more than 80,000 times on average per month, providing over 540,000 job opportunities and have obtained the approval and support of both the government and rural workers. During the 2009 Chinese New Year, President Hu Jintao visited our subsidiary in Jiangxi and was greatly impressed by our efforts to help rural people access information and connect rural workers with employment.

Moreover, to address office management issues at local government levels in rural areas, we continued to promote our Rural Administration Information Service. In 2009, we implemented pilot programs in Chongqing, Sichuan, Yunnan, Gansu and Xizang. The services provided on government document dissemination, teleconferencing, policy distribution and data collection under the pilot programs has helped to increase efficiency for local government offices and decrease costs associated with office management. Local government agencies has complimented the service as a helping hand for local government office administration and a tool that allows local governments to better exchange ideas and resources with the public. As of the end of 2009, the service had been implemented in 11,000 government offices, servicing more than 530,000 government workers.

Working with the Ministry of Agriculture, Promoting Rural Informatization

In 2009, in order to promote informatization for rural business, we signed an agreement with the Ministry of Agriculture of the PRC, the "Strategic Cooperation Framework for Promoting Rural Informatization". According to the agreement, both parties are to work under the principles "Public-Private Partnership", "Long Term Partnership", "Collaborative Development", and "Win-Win Co-operation". By sharing resources, we are able to increase work efficiency and better benefit rural businesses, rural villages, and rural residents. Using all of the above and market systems, we have developed specific programs in the following five areas:

◎ Agricultural Industry Reform
◎ Agricultural Market Information Services
◎ Construction of Agricultural Information Service Centers
◎ Demonstration Programs for Information Services in Rural Areas
◎ Agricultural Resource Monitoring and Allocation System

We will work with the Ministry of Agriculture to construct Agricultural Information Service Centers and demonstration projects that showcase the use of information services in rural areas. We have together implemented several programs that used the nationally-developed technology of TD-SCDMA within Mainland China's agricultural departments and bureaus. These include an automated office system, video conferencing, e-government information solutions and a national-level system for emergency response. We also worked together to choose a province with an agriculture focus to run demonstration projects and provided support on relevant policies, subsidies and other support mechanisms. These projects seek to help promote pilot programs on informatization throughout Mainland China.

◎ In Guangxi, the Sugar Information Service application was favored by local sugar cane growers

◎ In Gansu, rural information terminals help local farmers access job information

Across all the provinces, we act according to local needs to drive innovative information services that benefit rural residents, rural businesses, logistics, trade as well as medical healthcare.

In Anhui, working with provincial and rural committees and using our Agricultural Information Service and Rural Information terminals, we sent over 2 million text messages about distributing crops during winter, pest control, and disaster prevention. In addition, we sent more than 5 million SMS messages about major weather challenges using our Natural Disaster and Emergency Response Alert System. These efforts play an important role in prevention and control of diseases.

In Jilin, we developed a system that allows farmers to use mobile phones to monitor humidity, temperature and light in vegetable greenhouses and to use mobile phones to control the operations such as automatic irrigation and sun cover. This technical advance helped improve agricultural efficiency in the province.

In Shandong, we helped transform the way that various products (fish, poultry, pork, vegetables, flowers, fruit, grain, cotton, etc.) are bought and sold, from the traditional 'open markets' to high-tech modern logistics programs that run on extensive information databases. In addition, we have set up data collection points at more than 30 wholesale markets and 100 agricultural businesses, with specific data channels for 15 different product types, including agricultural machinery, livestock and fishery products. Working with these partners, we have also set up more than 12 databases that store information on topics such as pricing, supply and demand, and technical information. We have set up 10 channels for agricultural experts on topics such as tomatoes, cherries, and fisheries, and 4 demonstration base stations and information centers in Jinan and Dongying.

In Liaoning, we signed a partnership with the Liaoning Provincial Academy of Agricultural Sciences. We provided them with digital leased lines, information service terminals, and access to our Agricultural Information Service, helping to promote the development of agricultural technology in the province. We also jointly completed an agricultural training platform, an agricultural science and technology product demonstration, and a visiting lecturer program that invites agricultural experts to share their knowledge. These projects together helped us realize our joint target of promoting an industrialized and information-based approach to agriculture in Mainland China.

In Shanxi, using our network and software, we set up a major disease prevention system. The system relies on three hubs in the rural areas, with a central control unit at the county level that extends out to the township and village levels. Any disease outbreaks can be monitored and reported through appropriate channels. While reporting could take as long as 4.9 days previously, with this system, it now takes an average of 0.7 days. The system has also enabled vaccinations for 4,750 children, and newborn vaccination rates increased from 86% to 96% with the aid of this information system.

In Shaanxi, we created a mobile service called Medical Insurance Information Service, a new partnership model for rural healthcare. We set up mobile centers to allow rural residents to access data and look up and pay for a variety of healthcare services: outpatient payment and reimbursement, medical information, and other services by real time data exchange between the GPRS network and New Rural Cooperation System. Clinics involved in the program found that these wireless systems greatly expedited approval processes associated with accessing healthcare such as the payment and reimbursement of medical expenses.

◎ *In Anhui, farmers used our information applications to look up real-time data about agricultural subsidies*

An Information Platform for Microcredit in Rural Areas

Our information platform for microcredit in rural areas has been a real innovation for our company. Under this model, we have used information technology to connect vital partners and resources – government, financial institutions, and rural residents – to provide a 'one-stop,' unified, consistent channel for managing the information needed for rural microcredit programs. The government has been a leading partner in this effort. They have created a specialized taskforce to build rural databases with information on rural businesses, villages, and local residents. In addition, they have set up a new rural financial service network operating at county, township and village level. Finally, they have promoted the use of our information platform. Our partners, including credit unions, China Agricultural Bank, and the China Postal Savings Bank, have used our information platform to provide financial services in Mainland China's rural areas.

In Fujian, after gaining an understanding on local needs, we promoted a platform for microcredit in Pingnan County, a low-income region of Fujian.

The results of our initial assessment showed that income sources are limited in Pingnan County, with most people living below the poverty line. Virtually no one uses a computer and there are very few landlines. The county is sorely lacking the necessary investment and information to drive local development. Without convenient information channels, information, benefits, and policies from the government on poverty alleviation cannot easily make it into the hands of local people. In addition, there is a "paper office" dynamic of local poverty alleviation offices, where data between different offices is rarely shared, and the system is not unified or consistent, particularly when it comes to micro-loans. These challenges greatly increase the risk associated with making loans in rural areas, and also lengthen and complicate loan application processes. Objectively, they pose a direct obstacle and in many cases, disadvantaged rural residents are essentially unable to benefit from poverty alleviation policies. We have advantages as a mobile telecommunications expert that can help address these challenges. Working with many partners, we set up a microcredit system designed to support rural residents.

© In Fujian, local farmers access microcredit data using our information terminals

Using this microcredit platform, rural residents can use SMS, WAP, STK and other methods to apply for micro-loans. The microcredit platform automatically reviews loan applications, and the local office will conduct assessments on the need for such loans and set a credit rating. Potentially promising applications are then sent to local microcredit offices in Chinese villages. After the office makes an assessment, they pass along qualified applications and documentation to the local rural credit union. If the applicants fulfil the requirements of the local credit union, the microcredit platform informs the applicant what size of a loan they may qualify for at the credit union. Rural residents can now conveniently apply for micro-loans via their mobile phones or rural information terminals. The process, which previously could take up to 6 months, can now be completed within 3 working days. Information on 180,000 rural individuals has been logged into the system and 50 million yuan in loans have been disbursed in the six months since we launched the platform. The platform also allows us to send out SMS messages that provide agricultural information, and thus far, 1.25 million SMS messages have been sent. Rural income have increased significantly after this program started and according to estimates, if the entire county were to use this service, there could be a savings for the local government and the rural residents of more than 1 million yuan per year on poverty alleviation efforts as more people would be in a position to sustain themselves.

In 2009, we have worked hard to narrow the digital divide and have made significant achievements. However, to achieve full coverage in rural areas and reach our goal of getting information to rural residents is still quite far off. Looking forward, we will improve the application of our Agricultural Information Service, enhance the operational capabilities of our rural information service sites, actively promote other information services that help drive rural development, and create channels for e-commerce in rural areas. By 2012, our goal is that 100% of China's administrative villages and 40% of China's natural villages will have rural information terminals. We also seek to have our Rural Administration Information Service in 10,000 rural local government offices and set up over 100,000 Information Service sites across Mainland China.

⦿ ADDRESSING CLIMATE CHANGE

Even though the telecommunications industry is a low-emissions industry, our industry's energy consumption is still quite significant. According to data compiled by the former Ministry of Information Industry of the PRC, annual energy consumption by our industry is more than 20 billion kWh, of which base station air conditioning units contribute 7 billion kWh. With the rapid expansion of the number of customers and volume of business in our industry, total energy consumption will continue to rise. There is great potential to drive energy conservation efforts in our industry.

We have integrated addressing climate change into our strategy and advanced our "Green Action Plan". Through effective management and technical innovation, we seek to promote energy conservation and emissions reduction and address climate change at our company, within our industry and across society.

〖 Improving Environmental Management 〗

In 2009, we formulated an integrated environmental management mechanism combining systemic planning, scientific management, root cause analysis and effective incentive schemes. By doing this, we focus on the systems and steps needed to achieve long-term environmental performance.

> ### 2009 Green Action Plan: 5 focal points
>
> 1. Promotion. Use the breadth and depth of our experiences to promote and enhance the application of energy-saving technologies;
>
> 2. Efficiency. Continue to increase system efficiency through energy efficiency standard controls for base stations and data centers;
>
> 3. Management. Enhance our management and establish long-term mechanisms to save energy;
>
> 4. Innovation. Promote customized energy-saving air-conditioning units, green packaging and other R&D innovations; and
>
> 5. Publicity. Raise public awareness on climate change through benchmarking and sustained advocacy.

In order to further raise our environmental performance management, we developed the "China Mobile Green Action Plan Guidelines" and the "China Mobile Green Action Plan 2009 Appraisal Management Practices". With these guidelines, we conducted annual examinations for our "Green Action Plan" across 31 provincial subsidiaries.

A Comprehensive Energy Efficiency Evaluation Standard

In 2009, we improved our ability to monitor and evaluate our own energy consumption by establishing a consistent full-scale approach for evaluating and managing energy efficiency.

◎ By creating a standard approach to assess energy use in base stations and data centers, we encouraged and guided our provincial subsidiaries to take new measures to improve energy efficiency.

◎ We have run pilot projects in 11 provincial subsidiaries, covering 22 data centers and 550 base stations.

◎ We established the Guidelines for Data Center Construction Standards and set up an energy-efficient model construction plan, with an emphasis on applying natural cooling effects and controlled cooling technologies.

Green Standards in our Supply Chain

In 2009, we worked more closely with our green supply chain partners in areas such as product design, production processes, component and device selection, and raw material supply in order to reduce unnecessary resource consumption. As of the end of 2009, 53 of our key suppliers across the world have signed a strategic memorandum of understanding with us, making them partners in implementing our Green Action Plan.

In order to continuously increase the energy efficiency of our telecommunications equipment, we built an energy conservation rating standard for our telecommunications equipment, power equipment and other auxiliary equipment. We grade each piece of equipment every two years and support equipment manufacturers to conduct technical research and development and improve equipment performance. So far, we have reduced the average power consumption and installation space of equipment by over 20% every 2 years.

At the same time, we have actively promoted B2B platforms for commercial transactions and e-Procurement. As of the end of 2009, over 300 major suppliers were using the B2B system. A total of over 75 billion yuan in purchases have been made through this B2B system. This has established an efficient and beneficial collaboration model in our value chain.

In Guangdong, we continued to streamline the management of our "Green Supply Chain", and have set up a structured, standardized, energy-saving, environmentally-friendly and efficient management system. Our specific requirements for suppliers include signing of a supplier declaration on environmental issues, implementing green products guidelines, submitting a checklist of harmful substances and collating a list of industry rules and regulations.

In 2010, we will establish systems for managing our use of energy. This will help to gradually shift our management process from a purely target-focused approach to one that focuses on the entire process of energy management. Together, this will allow us to build an energy saving and emission reduction mechanism that integrates our internal and external resources to drive the rapid acquisition, trial improvement, promotion and evaluation of new technologies and new designs.

〖 Fostering an Environmental Culture, Achieving Energy Conservation 〗

We place great importance on energy conservation and emissions reduction in our operations and use innovative technologies and clean energies. We also promote measures that improve resource utilization in our business processes, finding information solutions that help us meet our commitment to a green workplace.

Our energy consumption is primarily comprised of electricity, fuel, natural gas and diesel fuel, among which electricity comprises 86% of our energy consumption. In 2009, we continued our conservation efforts and the overall energy use across our company per unit of telecommunications traffic has decreased by 14% compared to 2008 levels, surpassing our original target of 10% and representing a saving of electricity use of 1.8 billion kWh. On this basis, we voluntarily agreed to reduce energy use per unit of telecommunications traffic by 20% by 2012 compared to 2008, equivalent to a reduction of 11.8 billion kWh of electricity, which indicates our strong commitment to respond to the climate change.

Applying Energy-Saving Technology

Wireless network and base station equipment are the most energy-intensive equipment in our network. We thus focus our efforts on improving their energy efficiency and have made great progress using new technologies, new processes and new products.

Energy Efficiency in Network Equipment

Using IP Technology in Network Equipment: We currently run a green telecommunications network with a high ratio of IP technology use. IP technology has helped reduce energy and resource consumption for our network equipment: 50-80% savings in electricity use and 60-80% savings in weight and space requirements. As of the end of 2009, using IP technology has helped us save more than 145 million kWh of electricity use annually and we have achieved a cumulative savings of 50,500 square meters in our equipment rooms.

Saving Electricity Using Intelligent Carrier Frequencies: When mobile phone lines are not in use, we can switch off unused carrier frequencies. This can reduce electricity consumption for the base stations at an average rate of 12-20% equivalent to about 150kWh per carrier frequency per year. In 2009, we have more than 1.6 million carrier frequencies that can be switched off when not in use.

GSM distributed Base stations: We introduced the construction of 3G distributed base stations into the GSM network, taking advantage of our 3G technology and can save us 70% in energy consumption compared to traditional base stations. This process has also allowed us to reduce our use of equipment rooms and auxiliary equipment. So far, we have this technology running in 5,600 base stations across 13 provincial subsidiaries.

In Zhejiang, through researching specific mechanisms, we have been able to use the "introduce, evaluate, test and roll-out" approach to promote and apply new energy saving technologies, programs and equipment. In 2009, we finished four major research programs with 83 research topics and experimental work on data centers, base stations, major equipment, auxiliary equipment and air conditioning. Once proven reliable, these new innovations will be rolled out throughout Zhejiang.

In Shaanxi, a large number of base stations are distributed across a wide area requiring frequent on-site electricity generation. We have developed a new electricity generator management system that addresses two previously prevalent issues: low management efficiency of oil-powered generators and challenges in data collection. After nearly 6 months of research, we have worked out a way to reduce fuel consumption by 10% on average.

China Mobile Energy and Resource Consumption

	2007	2008	2009
Total Electricity Consumption (GWh)	8,160	9,350	10,620
Natural Gas (millions of cubic meters)	3.7	4.3	6.0
LPG (100 tonnes)	2.4	3.0	8.6
Coal Gas (millions of cubic meters)	–	–	0.8
Coal (10,000 tonnes)	6.5	7.0	4.4
Gasoline Consumption (million liters)	112.0	118.8	131.7
Oil Consumption for Management related issues (Gasoline) (million liters)	–	–	61.9
Oil Consumption for Generators (Gasoline) (million liters)	–	–	69.8
Diesel Fuel Consumption (millions liters)	23.5	29.1	19.6
Oil Consumption for Management related issues (Diesel Fuel) (million liters)	–	–	7.5
Oil Consumption for Generators (Diesel Fuel) (million liters)	–	–	12.2
Total CO_2 Emission (million tonnes)	6.92	7.94	9.02

Note 1. In our 2009 data collection process, we improved the way we measure energy metrics. This year we also recalculated 2007 and 2008 data based on these new measurement methods.

Note 2. CO_2 emissions are calculated with the following emissions factors released by the government of the PRC: electricity, 0.849; gasoline, 2.3; diesel fuel, 2.63; natural gas, 0.559, LPG, 1.49, coal, 2.66, and coal gas, 9.5.

Energy Efficiency in Air Conditioning

Customizing Air Conditioning for Base Stations: In 2009, along with eight air conditioner manufacturers, we jointly developed an energy-saving air conditioning system for base stations, and have become the first telecommunications operator to directly work with cooling equipment manufacturers to develop this technology. We have completed the pilot R&D for this project and plan to apply it broadly across our network in 2010. Compared with traditional cooling equipment, the customized cooling equipment is 25% more energy-efficient. Other benefits of the new systems include:

◎ Energy efficiency ratio has increased from 2.6 to 3.0 and wind volume has increased by 30%;
◎ Cyclic air supply is adopted in line with the cooling cycle demand for base station equipment;
◎ Air conditioning compressors have been moved indoors, improving the working environment of the compressors and reducing noise outdoors.

Energy savings in air conditioning: We formulated and issued the "Overall Guidance for Energy-Saving of Air-conditioning Systems in China Mobile's Base Stations", and 40% of macrocell base stations (outdoor stations not included) across our network have adopted new energy-saving measures. We upgraded remote monitoring equipment for 85,000 base station air conditioners, and 30,000 air conditioning units are now using energy saving additives.

Energy Conservation in air conditioned equipment rooms: First, we took steps to provide targeted cooling. Key equipment is cooled down directly through air conditioning hoses targeting key equipment based on temperature requirements. This can result in an air conditioner efficiency increase of 45% while solving the problem of local overheating. Such technology has been applied in 25 provincial subsidiaries. Second, we have installed 373 air conditioning systems using glycol additives taking full advantage of cooler temperatures in the natural environment during winter months. Third, we have upgraded 1,929 air conditioning systems with a spraying technology that increases cooling efficiency during summer months, reducing air conditioning consumption. Fourth, we have actively promoted the use of energy-efficient water cooling techniques in equipment rooms.

Using intelligent ventilation and heat exchange systems: The use of natural cooling sources for regulating temperature has enabled us to reduce air conditioning electricity use by 20-80%. As of the end of 2009, we had installed 37,000 intelligent ventilation and heat exchange systems across our network. We are also piloting the use of innovative water-based cooling systems to realize energy savings of 80-90%.

In Neimenggu, we developed a centralized monitoring system for base stations which, depending on the actual temperature on-site at the base stations, can remotely and automatically control the cooling equipment to minimize unnecessary energy consumption. For our 789 pilot base stations in Baotou, from June to August in 2009 alone, 939,000 yuan of electricity fees had been saved.

In Jiangsu, we used an intelligent spray system with dual control of temperature and pressure in the core data centers, which is an effective solution during hot weather to greatly increase efficiency in the data centers, with energy savings of around 10%. If this system was installed across the whole province, it could save around 2 million kWh of electricity each year. As of September 2009, 648 sets of intelligent spray systems had been installed in the core data centers.

◎ In Neimengu, to help conserve energy, we installed a centralized system to monitor air conditioning in local base stations

◎ In Hebei, we used an intelligent air exchange system in equipment rooms

Alternative Energy, Power, and Lighting

Alternative energy: We took full advantage of alternative energies including wind, solar, hydropower, geothermal energy and fuel cell technology to reduce consumption of conventional energy sources. As of the end of 2009, we had constructed 6,372 stations powered by renewable energy, providing electricity not only for telecommunication base stations but also for residents of remote regions. Out of these new energy base stations, 1,156 were on the Qinghai-Xizang Plateau, the world's largest group of base stations powered by solar energy. In this region, 80% of base stations are powered by solar energy, which helps to effectively protect the Qinghai-Xizang Plateau's unique ecological environment.

We have also built base stations powered by both solar and wind energy in Fujian, Jiangxi, Henan, Shaanxi, and Qinghai. These base stations allocate system capacity and adjust operating mode based on change in natural resources. They are also able to adapt power consumption patterns to maximize use of natural resources according to changes in the natural environment.

Power Supplies: We applied new technology that uses "intelligent systems" which automatically shut off power supplies when not needed. This has been applied to 100,000 pieces of equipment in 2009.

In addition, we promoted the use of battery incubators, which can increase the operating ambient temperature of our base stations to above 30 degrees. For each additional degree raised, energy savings increase by 2-3%. In 2009, we upgraded 4,447 sets of batteries with this feature.

Lighting: We purchased new types of efficient energy-saving lights and completed lighting upgrades in 7 provinces, including Tianjin, Anhui, Hainan and Guizhou. In 2009, we completed energy-efficient lighting transformation at 70% of our facilities, installing a total of 1.4 million energy-efficient lights. We have also successfully developed intelligent control systems for lighting.

Green Buildings and New Construction Standards

Green Buildings: In 2009, we issued "Key Points of Implementation of Green Buildings Benchmark" and encouraged our provincial subsidiaries to transform existing buildings in light of local conditions, to implement the key points raised in the document, and to apply these principles to projects in all stages of construction or expansion, in particular in the design phase. Specifically, we encouraged the uptake of 14 categories technologies such as air heat exchanging, water recycling, frequency conversion and smart lighting techniques – all in an effort to build China Mobile Green Benchmark Buildings. In 2009, 43 office buildings were built to these standards, covering 940,000 square meters.

Standardizing Tower: We consolidated dozens of design standards of our telecommunication towers into four specific designs. This reduced our use of steel by 40% and reduced construction time by an average of more than 2 months for each tower. As of the end of 2009, this helped to save approximately 40,000 tonnes of steel.

Standardizing Telecommunication Equipment Rooms: To standardize equipment rooms, we consolidated equipment room designs into 3 categories and 9 standardized designs. This increases space efficiency by approximately 20% and decreases average construction time by more than 3 months. Standardizing equipment rooms helped us achieve space savings of approximately 140,000 square meters.

China Mobile Base Stations using Alternative Energy

	2008	2009
Total	2,135	6,372
Solar Energy	1,615	5,581
Wind Energy	–	72
Solar and Wind Energy	515	689
Fuel Battery	5	30

◎ In Xinjiang, we built base stations using alternative energy in remote areas

Increasing Resource Efficiency

Through our Green Action Plan, we thoroughly analyzed and controlled our use of base station batteries, mobile phone SIM cards and packaging materials, with a view toward reducing our own resource consumption and environmental impact and driving resource conservation within our industry.

Battery Management

Lead-acid batteries are a main back-up power source for most telecommunications systems, but as they contain a lot of heavy metals and highly-corrosive electrolytes, improper disposal can lead to huge damage to the natural environment. To prevent this, we have taken active measures to ensure the safe use and recovery of batteries to mitigate environmental impact.

We have been implementing new technologies that greatly extend battery life. We have also taken measures to improve electricity use, operating temperature thresholds and battery charging conditions. In 2009, we actively adopted online and offline battery remediation technology, extending battery life by about 50% and effectively reduced battery waste. So far we have applied these new approaches to 2,100 lead-acid batteries, and we expect to handle 6,000 more sets of batteries this way by March 2010.

In Anhui, after two years of research, testing, and verification, we made major advances in battery activation and repair technology. We developed new approaches to battery repair that allowed previously discarded batteries – with about 40% of original storage capacity – to be restored to more than 85% of original capacity, greatly increasing a battery's life span to over 3 years. This advancement has helped reduce the volume of discarded battery waste by 30-40%.

In 2009, we continued to seek safe channels for battery recycling. We assessed battery recycling processes in 9 companies and currently have invited 6 companies to participate in our battery recycling programs.

China Mobile Lead-Acid Battery Recycling Statistics

	2009
Discarded Lead-Acid Batteries (millions of (Ah))	132.66
Lead-Acid Batteries Recycled (millions of (Ah))	98.74
Lead-Acid Batteries Reused (millions of (Ah))	41.54

Key Assessment Criteria for Battery Recycling Companies:

◎ Qualifications for lead and metals recycling: Proper permits and licenses for hazardous waste disposal and discharge

◎ Qualification Certifications: Successful and active ISO9000 and ISO14001 certifications

◎ Accident prevention and contingency plans have been fully integrated into packaging and transport processes

◎ Effective battery dismantling and sorting processes are in place

◎ Classification of recyclable materials

◎ Quality and ratio of recycled materials

◎ Plant process flows and equipment advanced inspection

◎ Meeting factory wastewater and emissions standards

◎ Lead recycling capacity (tonnes/year)

◎ Corporate social responsibility assessment

◎ *We contracted specialized companies to process and recycle used batteries*

Green SIM Card Solutions

SIM cards are made of PVC and can inflict environmental damages if discarded in large volumes. In 2009, we actively explored and implemented our Green SIM Cards program, which helps us re-use SIM cards, find substitutes for the raw materials used to make SIM cards, and reduce the materials needed to produce SIM cards.

Application of China Mobile Green SIM Cards

Year	Number of mini-SIM cards used (10,000)
2008	1,100
2009	3,319

Number of mini-SIM cards used (10,000)

Year	Number of SIM cards reused (10,000)
2008	31
2009	44

Number of SIM cards reused (10,000)

In 2009, we completed a full-scale construction of a system for recycling SIM cards. We also conducted research on environmentally-friendly materials and developed an alternative non-toxic material (ABS) for SIM card production. Moreover, we released a series of technical specifications – such as the "China Mobile Paper SIM Card Standards" and "Technical Specifications for China Mobile ABS SIM Cards" – which promote innovation of SIM card material and explore using paper as a production material.

We worked with key SIM card manufacturers to jointly design an approach to "mini-SIM cards": instead of shipping the SIM card with its PVC card base, we now ask our suppliers to provide only the mini-SIM cards without the PVC card base. This project has helped reduce SIM card base consumption by about 50% and card base pollution by about 54%. As of the end of 2009, we purchased 33.19 million mini-SIM cards, reducing the use of 67 tonnes of PVC and ABS and saving 570,000 kWh of electricity needed for card production.

In Guangdong, we successfully launched our first pilot program for the technology for repairing malfunctioning SIM cards. The technology allows us to repair, recycle, and reuse malfunctioning SIM cards to reduce warehouse management costs and reduce SIM card storage at our service centers. Cost savings resulting from this process are estimated to be 500,000 yuan a year.

In Liaoning, we actively explored and established implementation and management mechanisms for the recycling and reuse of SIM card resources and developed corresponding recycling procedures. As of the end of 2009, we had recycled nearly 152,000 SIM cards, with cost savings of 2.27 million yuan.

Green Packaging

Traditional wooden packaging for telecommunications equipment consumes a large amount of timber. In 2009, we worked with business partners to promote green packaging throughout our value chain. We standardized the use of recycled packaging material so that packaging can be reused. We reduced the large-scale use of wooden packaging and are working to streamline logistics and transport processes to encourage reuse and recycling.

In addition, in order to strengthen management, the company compiled and released three important technical documents and management systems related to packaging: "Technical Specifications of China Mobile Green Packaging", "Economic Evaluation Models for China Mobile Recycled Packaging" and "China Mobile Green Packaging Logistics Implementation Measures".

After several trials, we found that green packaging efforts can yield significant improvements: compared to traditional wooden packaging, green packaging can reduce packaging weight by 22%; packaging reuse can increase by 5-7 times; and total cost savings can be reduced by 8%. In addition, 90% of packaging can be recycled and reused 6-10 times. In 2009, green packaging programs were extended to 11 GSM and TD main equipment suppliers. These cover more than half of our provincial subsidiaries and resulted in 45,765 instances of packaging recycling and re-use – a savings of 2,357 cubic meters of timber.

In 2009, our "Green Packaging" was awarded the silver medal of "China Packaging Star". It also won the "WorldStar Packaging Design Award", the highest such award in the packaging industry. In 2009, we were the only Chinese company in the telecommunications industry recognized with such a distinction.

Green Packaging Design Innovation:

◎ Use of a reusable revolving frame, emphasizing on appropriate packaging and protection

◎ Use of light and environmentally-friendly materials, simple and convenient packaging, unified packaging standards, and efficient processes

◎ Use of reusable non-wood packaging materials instead of wood

Creating a Green Workplace

We actively promote the use of information solutions in our own offices to reduce the use of physical resources. These information solutions include: enterprise office automation (OA) system, mobile office, Information Management System (IMS), video conferencing and other measures.

Increasing our Use of Information Solutions

Through our OA system, we are able to effectively manage many internal approval processes without using paper. Many of these processes which previously required employees to keep paper records on file can now be handled electronically. This not only improves our resource efficiency but also reduces office management costs. Many internal processes can be done over the phone and email, making these processes more streamlined and convenient for employees. In 2009, we further promoted and established an integrated information network and a unified IMS client terminal allowing employees to perform multiple functions via instant messaging, SMS, MMS, IP telephone, audio conference and video conference.

China Mobile Video Conferencing Use (times)

2008	10,000
2009	23,703

In Guangdong, we streamlined the base station inspection process. Employees can now use PDAs to record and upload base station inspection data, making a majority part of the inspection process electronic.

In Jiangxi, we established a two-dimensional bar code CD-ROM backup system which saves us about 130,000 yuan in materials and maintenance costs per year for information storage. This storage approach extends file-saving capability by at least 25 years and enhances information security and recovery, improving the reliability of Enterprise Management Information System (EMIS), our data management process.

Promoting a Green Culture

We have run several training programs to encourage our employees to be environmentally conscious, promoting a green culture in our workplace and daily life.

During the "2009 National Energy-Saving Week", we organized a diverse set of activities to promote energy conservation, emissions reduction and environmentally-friendly habits. We released several "Green Action" publications along with environmental lifestyle guidelines for employees, designed a "Green Action Plan" promotional flash video, and set up "Green Zones" promoting environmental protection at our sales outlets across the country – all aimed at promoting an environmentally-friendly culture.

In Beijing, in support of the Earth Hour environmental campaign, we encouraged employees to participate, and turn off the lights at home for a hour on March 28, 2009. At work, we also shut off lighting and other lighting facilities in the public areas in the office provided that normal operations of data centers are not affected.

In Neimenggu, to inspire employees' creativity and awareness of energy conservation, we held an eco-contest in November 2009. Under the theme of waste utilization, employees hand-made many beautiful pieces of artwork using cartons, drink bottles, rubber bands, cloth and other materials.

◎ *In Sichuan, we encouraged our employees to participate in energy conservation and emissions reduction*

〖 Enabling Low-Carbon Solutions for Society 〗

According to the report "SMART 2020: Enabling the low carbon economy in the information age", CO_2 emissions for the global information and communications technology (ICT) industry in 2007 account for 830 million tonnes, representing 2% of global CO_2 emissions by human activities. However, through information technology applications, the ICT industry can help other industries achieve emissions reductions equivalent to 5 times the emission of the entire ICT industry.

We clearly see the environmental potential of ICT services. We work to provide low-carbon products and services to individuals and industries, and together with society as a whole, we can respond to climate change and work toward a greener future.

Low-Carbon Solutions for Individuals

Using ICT solutions to substitute for and improve conventional, physical products and activities is a core part of how we address the climate change issue.

In 2009, we widely promoted services that apply low-carbon solutions such as e-billing, e-recharging, electronic marketing channels and e-ticketing. In addition, we launched Mobile Papers in partnership with major media. Mobile Paper not only provides the public with valuable information, but also reduces the environmental impact from production and distribution of paper media.

We have improved the business capacity of electronic channels and have further developed our online and SMS sales outlets, over-the-air recharging intergrated device, multi-function self-service terminals and other electronic channels. Through these, customers can pay bills, recharge their minutes, and conduct many transactions they would traditionally handle at physical sales outlets. These self-service, virtual business models help our customers save travel time and costs and related resource consumption, and at the same time decreases resource consumption for our company.

In **Guangdong**, we actively encourage customers to use e-billing systems. Instead of having customers go to our sales outlets for a printed bill, we send e-bills to customers monthly. In the first half of 2009, we sent more than 6 million electronic bills, and more than 1 million customers used our e-billing service.

In **Sichuan**, since 2007, we made a concerted effort to gradually expand and centralize management of electronic recharging services. We have 6 well-developed electronic recharging services including e-recharge, over-the-air recharging, debit card recharging, online payment, Mobile Wallet and self-service Point of Sale (POS) payment. The average monthly amount of electronic recharging services increased from 160 million yuan in 2007 to 460 million yuan in 2009, representing an average annual growth rate of 70.2%.

In **Jilin**, we cooperated with the local light rail group and launched "Mobile E-tickets", reduced many logistical challenges related to tickets disposal, reduced time spent on buying tickets during peak hours, and improved the overall efficiency of light rail operations.

Use of China Mobile e-Services

Year	Percentage
2007	31%
2008	43%
2009	48%

Percentage of our services conducted through e-channels

Year	Amount
2007	2,800,000
2008	7,000,000
2009	13,000,000
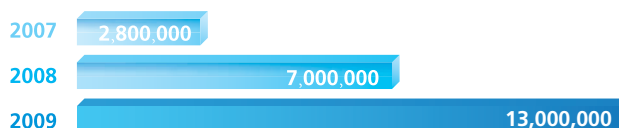
Total amount of mobile phone over-the-air recharging services (10,000 yuan)
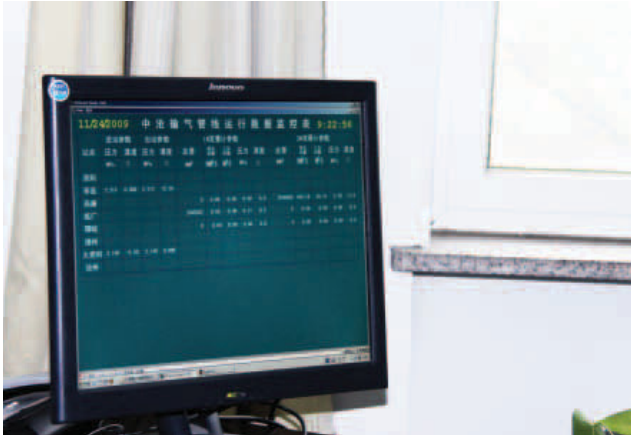
◎ *In Shandong, we provided monitoring services to a pipeline company*

◎ *In Fujian, we developed a handheld water meter reader*

Low-Carbon Solutions for Industry

We actively invest in research and development on the application of information solutions to help conserve energy and improve efficiency for industry customers and society at large. We use mobile terminals and Machine to Machine (M2M) terminals to provide energy-saving and efficient solutions for many key industries and sectors including municipal engineering, environmental protection, power sector and oil and gas industries. Our aim is to help transform these industries, helping them to develop new processes and models that allow for growth, efficiency, and low-carbon solutions.

As of the end of 2009, we had a total of more than 2.65 million corporate customers that were able to significantly improve office procedures and production and operational efficiency through application of our information solutions such as mobile office, drilling platform information management systems and remote meter reading for power companies.

For transportation and logistics industry, leveraging our communication and information platform, we have developed energy-saving industry-specific applications. Solutions such as "Vehicle Information Service" and "Logistics Link" help optimize the use and arrangement of vehicles, which increase efficiency and greatly reduce energy use. As of the end of 2009, across China, more than 380,000 M2M terminals are being used by the transport and logistics industry.

In Fujian, we developed a "Digital Highway" application being used across the province. The application uses mobile technology and GPS integrated into vehicle fleets to improve vehicle dispatching. In 2009, average fuel consumption for vehicles using this technology was reduced to 24.69 liters/100 km, an improvement of 7.87% from last year.

In Henan, we worked with the local government to jointly develop an "Integrated Logistics Information Service Platform". The system uses SMS technology to track product shipping and delivery and through a centralized search function, logistics companies can query and track information in a way that reduces communication and transportation costs, decreases vehicle idle time, and helps realize energy savings and emission reductions. As of the end of 2009, 16,218 logistics companies in the province were linked to the system, which on average delivered 1.5 million SMS messages a day. We also launched our Integrated Logistics Information Service Platform and the number of customers using this platform have reached 50,000.

In addition, we developed new environmental solutions for issues like pollution monitoring and biodiversity protection.

In Hebei, we signed a long-term agreement with the provincial Environmental Protection Bureau to jointly develop a video surveillance project for monitoring pollution sources. The project allows the bureau to continuously monitor pollution discharge points and run real-time pollution control processes remotely. Furthermore, the system allows bureau staff to immediately investigate and identify any illegal discharges. In 2009, the project helped to implement a comprehensive monitoring program for all 30 enterprises targeted in Hebei's pollution reduction programs, as well as wastewater treatment plants and power plants. By 2011, the system will have the capacity to monitor the pollution discharge of 1,800 companies in Hebei.

In Gansu, working with the Gansu Endangered Animals and Plants Research Center, as of August 2009, we established video surveillance systems and animal tracking systems to facilitate research on endangered plants and animals.

In Guangdong, we established a digital archives system with features such as query retrieval, archives and file type customization. The system currently manages 1.15 million files and more than 10,000 users have used the system for around 22,300 times, effectively reduced consumption of resources.

◎ *In Hebei, employees participated in environmental protection activities*

◎ *In Sichuan, employees promoted the "Green Boxes Environmental Protection Campaign" in local communities*

Public Participation in Environmental Protection

We always see the importance of encouraging the public to participate in environmental protection. We take advantage of our own business features to promote resource conservation across society.

Green Boxes Environmental Protection Campaign

Since launching the Green Boxes Environmental Protection Campaign in 2005, we have put green boxes – recycling bins for mobile phones, batteries and other accessories – in all of our sales outlets and onsite at partner facilities. In 2009, more than 1.36 million mobile phones, batteries and other accessories were collected, bringing the total number of recycled items to 5.31 million.

In order to properly handle the recycled mobile phones and accessories, we set up a "Green Action" recycling system and corresponding "Green Action" project teams across the country. Since their establishment, the project teams have collected, transported, classified and stored recycled mobile phones and accessories – ultimately giving them to trusted professional vendors for safe and proper recycling and disposal.

The Green Boxes Environmental Protection Campaign significantly reduces our indirect environmental impact. It also helps to increase public awareness and participation in proper recycling and disposal, helping to create a conservation-conscious society.

Public Support for Environmental Protection

In addition to improving environmental performance in our own network, we actively promote and support various environmental activities in society, seek to nurture a culture of environmental protection, and enlist broad public participation in environmental action.

In Zhejiang, to increase public awareness of environmental protection in Lake Tai, we led an effort to donate algae-eating fish. In February 2009, we began an initiative to encourage the public to take action to protect the lake and natural environment – leading the effort with a donation of 15,000 fish.

In Gansu, we launched an environmental campaign in May 2009 focusing on protecting wetlands, encouraging the public to take responsibility for the local environment. Through this campaign, we were able to conduct an environmental investigation on the health of local wetlands and encourage the public to pick up and recycle garbage.

In Neimenggu, using our own channels, we are promoting public awareness of environmental protection through environmental brochures, environmental promotions through SMS and MMS messages, and environmental protection videos. We also produced short bilingual programs on local television to promote environmental protection and our Green Action Plan.

Our efforts to address climate change are widely recognized by society. In 2009, our main projects were highlighted by the WWF publication "Low Carbon Business Leadership". In May 2009, China Mobile was invited to deliver a keynote speech at the World Business Summit on Climate Change in Copenhagen. The meeting gave us an opportunity to share our own experience addressing climate change and opportunities for collaboration.

Looking forward, as our business continues to grow, demand for industrial information services increases, and public demand for low-carbon solutions grows, we have great potential to reduce energy consumption. In 2010, we will continue to advance our "Green Action Plan": First, we will better coordinate how we adapt to local weather conditions for optimal temperature regulation and utilize renewable energy sources to optimize our energy supply. Second, we will improve comprehensive energy performance by continuing to promote and perfect energy evaluation standards for base stations and equipment rooms. Third, we will develop and promote an energy management system that helps us realize a shift in our approach: from a goal-oriented approach to a process-oriented approach that allows us to look at our entire energy system in a way that encourages long term sustainability. In addition, we will take full advantage of ICT to develop low-carbon solutions for individuals and businesses, making a valuable contribution to the mitigation of climate change.

⊙ BUILDING TOWARD AN INFORMATION SOCIETY

Since the establishment of national policies to promote information technology in 1983, building an information society has been one of the Chinese government's explicit objectives. According to the 25th Statistical Report on Internet Development released by China Internet Network Information Center (CNNIC), as of the end of 2009, Internet perectation reached 28.9% in China and the number of mobile phone users in Mainland China exceeds any other country in the world. The rapid development of information technology in China has brought unprecedented convenience and variety to people's lives.

Based on our corporate mission of "creating boundless communication, building an information society," in 2009, we developed creative information products and services that are "immediately applicable, accessible everywhere, connected to many information networks, and widely available", in a way that benefits individuals, industry, and society as a whole.

〖 An Information Society, Benefiting Individuals 〗

As of the end of 2009, the number of mobile phone users in Mainland China had exceeded 700 million. Mobile phones have become the most common information channel in Mainland China. Mobile phones with a wide variety of features have been integrated into all aspects of social life to enable the flow of information.

In 2009, with our technology, we have developed an increasing variety of mobile phone applications, and have continued to develop a new mobile media and to expand the ways in which mobile phones can be used to access information. This supports the creation of more possibilities in areas such as living, culture and entertainment, and personal consumptions.

New Mobile Media

Mobile phones have rapidly become one of the most common ways in which people can enjoy timely access to information anywhere. Early mobile phones could only transmit data via text. With new, multi-media functions, mobile phones are now a tool through which a richer array of information can be shared, and an important platform for cultural development.

In 2009, through services like Mobile Paper, Mobile Reading, and Mobile Video, we continued to improve the mobile media, enriching channels and experience in procuring information and promoting a healthy culture of communication.

New Features for the Mobile Paper

According to a CNNIC research report on mobile media published in February 2009, 39.6% of people in Mainland China subscribe to the Mobile Paper and nearly 67.6% of whom feel that the Mobile Paper is complementary to traditional newspapers. The Mobile Paper has become an important part of people's daily lives and with its rapid growth in circulation by hundreds of millions, the impact of the Mobile Paper on society will further increase.

As of the end of 2009, the number of paying Mobile Paper customers have reached 49.12 million. In 2009, due to rapid growth of the Mobile Paper, we continued to use the Mobile Paper as a platform to promote a healthy communication culture, and to enlist Mobile Paper customers to participate in helping to build a positive and harmonious environment. During the 60th anniversary of the founding of People's Republic of China, we used the Mobile Paper to produce a large-scale, special interactive activity called, "A Record of Life Around Us, Going Forward Together with our Country."

We have also worked with People's Online Daily and Xinhua News Agency to introduce the Mobile Paper in local ethnic languages: Xizang, Uighur, Kazakh and Mongolian. Within a few months, we have released 300,000 of these Mobile Papers in ethnic languages and they have become an important channel for disseminating information to ethnic minority groups.

In Zhejiang, we worked with relevant departments in Jiaxing City and used our MMS platform to promote distance-learning Mobile Papers to village leaders in the city, leaders in culture and technology and leaders in agricultural industry. This allowed them to access new policies and information at any time at any place and became an effective channel through which Jiaxing City could develop distance learning programs.

Innovative Mobile Reading

According to the 6th National Reading Survey conducted by Chinese Institute of Publishing Science, reading via digital devices such as mobile phones has become increasingly common. The percentage of adults that access reading material through digital channels has increased to 24.5%, of which 12.7% is through mobile media channels, logging an average of 4.47 minutes per day.

Using a mobile device equipped with TD communication capabilities can meet our customers' desire to read anywhere, anytime. In 2009, we helped our parent company set up a mobile reading base in Zhejiang Province which provided customers with books, magazines and comic books – all available through mobile platforms. The pilot in Zhejiang was well-received.

To address copyright issues and promote the use of copyrighted reading material, we have signed agreements with the Writers Publishing House, Zhejiang Publishing United Group and other partners. There are now 50,000 books available through our network and more than 40,000 books are planned for release.

Advances in Mobile Video

According to research, over 34% of 3G users are eager to use their mobile phones to access multi-media services. Using 3G technology, Mobile Video services allow users to stream high-quality video and audio programs – allowing for the growth of applications such as mobile video, video sharing, and video telephony services.

In 2009, we have utilized the high-volume, high-definition and high-speed characteristics of the 3G network to constantly develop and provide new content including video, animation, sports, entertainment and finance. Currently, the number of Mobile Video users has reached 2.2 million.

New Uses for Mobile Phones

In 2009, we focused on expanding the uses of mobile phones in mobile payment and positioning services, making life easier through service integration. Mobile phones have been a great partner, providing convenience and mobility to people's everyday lives.

New Mobile Payment Services

According to research survey conducted in Beijing, Shanghai and Guangzhou, about 97.5% of interviewees are very interested in the idea of using mobile phones to pay their bills. With virtual means to process and manage billing – including the use of mobile phones to directly pay for services and collect receipts – mobile phones have made paying bills more convenient. This has not only saved resources for users, but also increased efficiency for businesses using mobile payment services.

To address security challenges associated with mobile payment, and to instill customers with confidence when making mobile payments, in 2009, we completed the overall mobile payment system architecture design and the whole network mobile payment platform, and established an online national password management center. We launched two key projects – "World Expo Mobile Tickets" and "World Expo Park Consumption" – making mobile phone payment a highlight of the Shanghai World Expo.

So far, mobile payment services have been piloted in Hebei, Jilin, Anhui, Fujian and Hunan.

In Fujian, using RF-SIM technology, we created an information solution for public services. Using a wireless radio frequency (RF) component in SIM cards, customers can use their mobile phones as a "Mobile Wallet" for on-site and remote payments.

In Hunan, we launched a "Mobile Mini" service. Through this service, customers can conveniently purchase thousands of products remotely, including flowers, digital products, stationery, toys, tea products and vehicle accessories.

Mobile Positioning for Families

According to data from the Ministry of Civil Affairs of the PRC, there are more than 149 million citizens in Mainland China who are over the age of 60. Mobile positioning technology can play a role in ensuring the safety of senior citizens, along with young children and other special groups with special needs in society.

We launched a Family Information Service in 2009. The service focuses on children, teens, and the elderly – helping relatives identify their location by providing them with mobile phones or special terminals. The service uses the mobile communication network to locate people through SMS/MMS, Internet, and other modes. With

© In Zhejiang, we worked with the government to send coupons to local residents

Family Information Service, it is possible to stay informed of the location of relatives in case of an emergency situation, with fast and accurate positioning. As of the end of 2009, the Family Information Service had been piloted in 14 provinces providing services to more than 63,000 people.

12580: A Mobile Service Gateway

With a unified systematic and comprehensive platform for mobile services established through our 12580 platform, we are able to provide increasingly diverse applications and services to our customers. Our customers can conveniently access a diverse range of high-quality services through a convenient one-stop comprehensive information service portal provided to users via voice, SMS, MMS, Internet and other access methods.

In Hebei, the "Vehicle Owner's Secretary" function was developed for 12580 in 2009, allowing citizens to search for traffic control information, violation records, and other information with a simple phone call. The more than 60,000 queries a month have greatly reduced the workload of the traffic control department and improved citizens' travel.

In Sichuan, 12580 played an active role in various activities. For example, as of the end of September 2009, 150,000 people had used 12580 to order movie tickets and the total number of inquiries to 12580 reached 670,000.

In Guangdong, "12580 Hong Kong Link" was officially launched to support the integrated development of information in the Guangdong-Hong Kong region. It provides users with a one-stop information inquiry service, which includes Hong Kong and Macao travel passes, directory services, tourism, catering, shopping and transportation.

Looking forward, we will continue to promote mobile media technology and its diverse applications. As other industries and technologies develop and customer demand become more sophisticated, we will continuously introduce innovative products to serve our customers and society, working to create convenient and rich mobile life experiences.

〖 An Information Society, Industry Efficiencies 〗

In China's 11th Five Year Plan for National Economy and Social Informatization, it was noted that the application of ICT products and services can help reduce societal pressure such as resource pressure, energy pressure, and environmental pressure. Having more businesses using information solutions plays an invaluable role in advancing China's capacity for innovation, and aligns directly with the Scientific Outlook on Development.

In 2009, taking advantage of our expertise in mobile communications technology, and the development of the Internet of Things, we focused on key industries: transportation and logistics, food safety, municipal management, commerce and finance, medical healthcare and education. In these industries, we developed various information solutions to provide convenient, efficient and safe services for society. As of the end of 2009, we have installed 3.52 million M2M (machine to machine) terminals, representing an average annual growth of over 60%.

◎ In Shandong, an intelligent vehicle information system provided travelers with real time information

Information Services for Transportation and Logistics

The transportation and logistics industry is closely connected to the everyday lives of people. Promoting information services in the transportation and logistics industry can help improve how resources are used and managed, decreasing operational costs for business, and benefiting the natural environment and society.

We have utilized our communication networks and location-based services platform to provide the transportation and logistics industry with comprehensive services such as vehicle and personnel location information monitoring, dispatching, and management services. We have promoted "Vehicle Link," "Logistics Link," and other information solutions, optimizing customer resource allocation and improving office information automation in a way that reduces operational costs.

◎ In Liaoning, an SMS railway dispatching system was developed

Intelligent Transportation

Our public transport dispatching system has been launched in Tianjin, Fujian, Shandong, Chongqing and Shaanxi Provinces, providing public transport management through information services and producing significant economic and social benefits.

In Chongqing, we used our information services to provide taxi companies with functions such as accurate positioning of vehicles, monitoring and dispatching, vehicle safety, and tax-data management. This provided standardized service, enhanced operation efficiency, reduced operation costs, and enhanced competitiveness. The system has led to significant social benefits. Since the system has been in use, taxi companies have increased their revenue by 16% and customer complaints have dropped by 60%.

Logistics Information

In the logistics industry, each of our provincial companies has driven innovation, improving the use of information services in the logistics industry and increasing operational efficiency.

In Gansu, we launched "Cargo Distribution Link" in 2009 to provide a comprehensive information service for small and medium-sized road transport logistics enterprises and truck drivers. The service functions include distribution of cargo, security, integrity management, reallocation and monitoring. These functions enable e-freight logistics management, increase freight efficiency, help consigners to track the transport of goods, log logistics information, and provide needed data to cargo and truck drivers.

Information Services for Food Safety

High profile cases of food contamination and food-borne illness have made food safety a major social concern. Mobile technology has an important role to play in food traceability, which can contribute to national regulation and management of food safety and effectively reduces food safety incidents in Mainland China.

In 2008, we started to vigorously promote "Animal Traceability", "Food Traceability" and other information solutions. These solutions utilize information network technology to track animal breeding, vaccination, quarantine, logistics and supervision, and to record the whole process, allowing supervising departments to monitor, analyze, assess and provide early warnings as needed. The system can record livestock data from birth to slaughter, and consumers can trace the source of their food by scanning an identification code at supermarkets. Through this network, we can promote the prevention and control of animal disease. Instead of taking a passive approach, mobile technology allows for active management of these issues, greatly increasing the effectiveness of prevention and control efforts. At present, this technology is in use by more than 60,000 users.

**In Chongqing**, we cooperated with the Chongqing Agriculture Commission to develop an animal identification and disease traceability system using a M2M terminal management platform with the aim of increasing the management efficiency of customer terminals. As of the end of September 2009, we have set up 40,000 identification units, of which more than 2,800 have been fully integrated into the terminal management platform.

In Xinjiang, we worked together with the Animal Epidemic Prevention Supervision Station to research animal traceability products. The research sought to advance animal traceability projects and to drive the use of information solutions at local quarantine departments. In 2009, 1,446 ear tags were placed on cattles to identify the animals and facilitate data analysis and tracking.
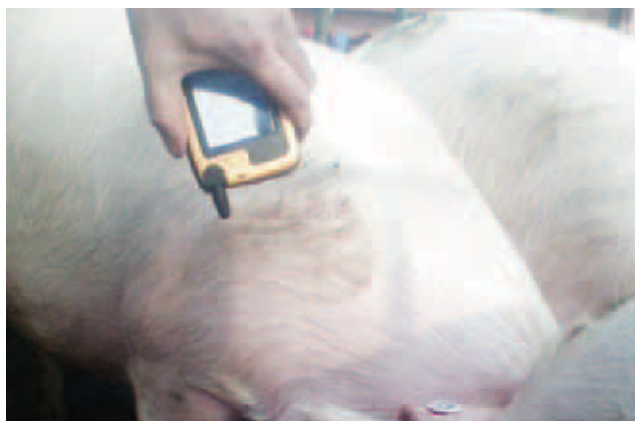
◎ In Hubei, we launched an animal traceability application to ensure food safety

In addition to the "Animal Traceability System," we have also set up other agricultural product traceability systems that increase consumer confidence in the safety of products purchased.

In Fujian, we developed an agricultural products traceability service that uses matrix codes to provide customers with food source data. By scanning a food product at an information terminal, customers can identify the place of production, processing dates and transport data. To date, we have installed 4,000 terminals, each of which provides data for most major agricultural products.

In Guizhou, we cooperated with partners to provide an "ICT Consultation Service" to the Zunyi Industry and Commerce Bureau and local business owners. With data from our project partners, we were able to use our network and technology to facilitate the supervision and monitoring of food safety.

In Henan, we cooperated with the Provincial Industry and Commerce Bureau to jointly promote mobile services for monitoring food safety along the supply chain. Working in partnership, we have developed a mobile-technology enabled inspection platform allowing for traceability at every step in food processing. We also set up a "Trust Information Service" product information terminal in local supermarkets. The construction and application of this system will help put a stop to counterfeit or low-quality food products entering the market, and provide safeguards on food quality.

Information Services for Financial Institutions

The development of modern financial industry is inseparable from the development of ICT, which allows the financial services industry to break out beyond the limitations of physical infrastructure and increase the flow of financial resources, bolstering economic development.

In 2009, together with financial institutions, we promoted "Banking Information Service," "Finance Information Service", "Mobile POS Machine", "Mobile Banking", "Stock Terminal", and other information-based solutions. These systems provide a platform for financial services companies to more easily engage with their customers. The Banking Information Service notifies customers after any transaction is made and helps guarantee customer account security. The service is active at 18 banks, covers more than 200 million users, and sends an average of more than 390 million SMS and MMS messages per month.

In Neimenggu, we worked closely with local financial institutions to promote the application of wireless point-of-sale machines (POS) and transmitting data for bank and credit cards is no longer limited to fixed location and telephone lines. These wireless features can quickly, economically and safely facilitate payment confirmation and promote the development of e-payment mechanisms.

In Yunnan, the application of the Banking Information Service and Mobile POS Machines has significantly eased the pressure for local bank tellers, and in turn this has improved banking service quality. Customers are able to manage banking services online, giving them better access to their bank accounts. Moreover, the reminder service provides real-time and dynamic reminders, thus improving account security.

Information Services for Municipal Management

Mobile technology can help Chinese cities improve the use of information solutions for public services and management systems. Specifically, public sector managers can take advantage of mobile communications networks, intelligent terminals, and information sensors, connecting systems that record and manage people, data, platforms, and departments. Through the use of these technologies, cities can improve the quality of public and social services, helping to create more livable cities.

In 2009, we enhanced our data management systems for Chinese cities. This fulfilled many cities' information needs in terms of data management, responses to emergency, security management and energy conservation. Presently, our "Digital Urban Management" service has been officially launched in 80 cities across 20 provinces, with a tremendous impact, increasing efficiency for municipal management and public services.

Assisting the Development of E-Government

We have used our mobile telecommunications network to construct a convenient, high-efficiency and secure electronic means by which government departments can use information solutions to better manage their responsibilities.

In Hunan, we actively promoted mobile e-government network construction. Information services were integrated into three key government processes: document management, administrative review and approval, and electronic monitoring at municipal, county and township levels. In addition, we set up an e-government Intranet mobile server (MAS2.0), allowing for functions including e-government mobile access, mobile office and mobile email. The project was recognized as an official e-governance demonstration project in Hunan Province.

In Shandong, we established a digital administrative office platform for mobile wireless network access combined with a MAS information machine that provided five mobile applications: municipal information news, OA document SMS alerts, PUSH OA, WAP OA and a WAP version of the People's Livelihood hotline. Through the platform, the Municipal Party Committee developed mobile documents and records, provided SMS notifications of documents received, and used SMS alerts and email to send reminders.

Rapid Information for Emergency Services

To help protect public security, we continue to use our mobile technology solutions to help local police and other emergency service agencies improve their systems and more effectively respond to public emergencies.

In Hunan, we used our technology to integrate emergency response systems and build a unified platform for dispatching emergency services. The system built linkages between departments including public security, transportation, food and other departments that oversee issues such as water services, hygiene, meteorology, earthquakes, environmental protection, mining, chemicals and pharmaceuticals. This allows for better management of disaster warnings and forecasting, security monitoring and controls, and disaster relief decision-making. Ultimately this allowed the city to better coordinate efforts for public safety, safe production, market supervision, environmental protection, decision-making, and other key functions.

In Tianjin, we used our TD network and technology to improve the effectiveness of local fire departments. A "Fire Response and Rescue Digital Command System" allows firefighters to see scenes from the fire when they receive a call for help, allowing them to more effectively prepare and fight against the fire.

Streamlining City Management

We have innovated in city management and infrastructure management, utilizing mobile technology to effectively improve the operational efficiency of cities.

In Shaanxi, a customized Municipal Information Service for digital urban management was put into operation and presently more than 90 terminals are in use. We installed special client software with functions such as telephone, SMS, pictures, forms, voice, location positioning, sound recordings and video for urban management personnel. The Municipal Information Service incorporates a digital grid-based municipal management system. As a result, the time for handling municipal problems can be shortened from weeks or months to just 6 hours, greatly increasing the efficiency of municipal management.

In Hebei, Handan's night lighting Automatic Monitoring System was set up in February 2009. By installing wireless monitoring equipment on the buildings for 85 main streets and intersections, we enabled centralized management and control of night lighting along main roads.

◎ *In Hebei, city officials use Municipal Information Service to look up information*

Information Services for Medical Healthcare

Promoting information solutions for the medical healthcare fields is of great significance. As described in a 2003-2010 plan to improve the development of information solutions in healthcare systems in Mainland China, information services can play a valuable role in streamlining existing information management systems for healthcare services to the benefit of both the government agencies administering healthcare services and the general public.

In 2009, we created information solutions to aid healthcare diagnostics, building a convenient and effective platform to improve interaction between healthcare facilities and the public.

In Guangdong, we were the first to run two influential Mobile Health projects in Dongguan: "Medical Information Service" and "Home Healthlink". Medical Information Service is an intelligent health information management system equipped with a 139 Electronic Health Inspection form, a health service program, a video conferencing service for remote medical treatment, and a mobile health supervision system, along with other medical information services. The project was conducted in partnership with 65 local medical institutions, 75,000 instances of services were rendered via Medical Information Service and Home Healthlink was used by more than 3 million people.

In Tianjin, we cooperated with local medical facilities to launch a doctor-patient communication platform. This system had several functions: a mobile office for doctors, remote medical consultation, communication between doctors and patients, patient management, patient scheduling, and video consultations. Moreover, medical institutions were able to provide patients with various services, including medical information, remote registration and consultation.

In Gansu, we utilized Internet technology and mobile communication technology to allow medical institutions to communicate with mobile phone and mobile Internet users in a timely manner. This program also facilitated medical service and management, so hospitals could release medical service information and provide valuable consultations for patients with concerns.

Information Services for Education

We established and developed our Campus Information Service as a communication platform that connects schools, parents, and students. This service can help improve the quality of management at schools, improve parents' awareness of events happening on campus, and promote the healthy development of students.

The Campus Information Service is run in kindergartens, primary schools, secondary schools and high schools. The system runs via mobile phones, school information terminals and computers, SMS, voice messages, and the Internet to facilitate interaction and provide information on issues including attendance management, student personnel administration, student file management, family phone calls and educational websites. As of the end of 2009, the Campus Information Service was available to 32.16 million people and had been established in 72,708 schools, covering 49.81% of Mainland China's township-level primary and secondary schools.

Campus Information Service as an H1N1 Prevention Tool

In August 2009, an H1N1 flu break occurred in Luoyang City, Xinan County, Henan Province. Many schools – including Laocheng Experimental Primary School, which was equipped with the Campus Information Service – delayed the first day of school. To determine when to start classes, administrators used the Campus Information Service to quickly and effectively communicate with students and parents.

"Gentle Reminder: please report your child's temperature in the morning and afternoon once a day (via telephone or SMS). Anyone with two failures to report temperatures will be asked to stay home from school." – Message from Preschool Class #4

"Temperatures at different times on Saturday were 36.5C, 36.5C and 36.5C. Temperatures at different times on Sunday were 36.5C, 36.5C and 36.5C" – Message from the parents of Shi Jiayi

"In case you have not yet submitted your child's temperature report, please do so immediately!" – Message from Class 4.1

"Dear parents: the symptoms of H1N1 flu are similar to those of a common flu. Patients may suffer fever, cough, fatigue and loss of appetite, etc. According to reports, the main symptoms of patients with H1N1 flu in America in 2009 include sudden fever, cough, muscle ache and fatigue, with some patients suffering from diarrhea and vomiting while patients in Mexico had such symptoms as red eyes, headache and runny nose, etc." – Message from Teacher Chen Yan

Using the Campus Information Service, teachers could quickly assess the condition of students at home and the development of the epidemic. They could convey knowledge on H1N1 flu prevention and control to parents. Through this system, the threat of an epidemic was well managed and effectively contained. Furthermore, teachers could help students study at home through remote guidance, which was appreciated by students and parents.

Looking forward, we will establish an Internet of Things Research Institute in Wuxi, which will carry out active exploration for the promotion of information services and information-based transformation. We will also work to develop a richer array of information solutions that promote major transformational social and economic change that drive safe, effective, and sustainable improvements in society.
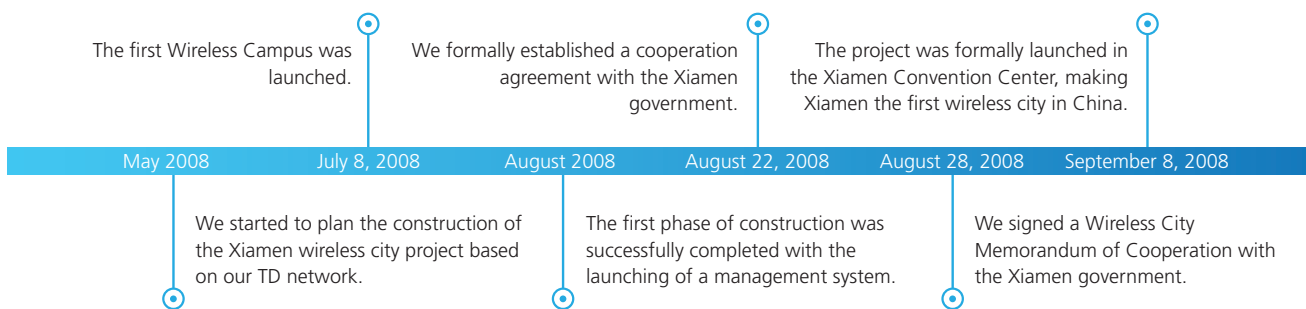
"Wireless City" Review

"Wireless City", a program under government leadership, uses mobile telecommunications technology to plan and promote city-level initiatives. Programs include unified wireless broadband access for all city residents and wireless services in various fields. Wireless city programs have been launched in the Bohai Bay region, the Yangtze River Delta, and the Pearl River Delta, with more than 40 pilot areas being run across China.

Taking advantage of TD-SCDMA technology, we actively supported our parent company in participating in the construction of several wireless cities. In Hebei, Jilin, Shanghai, Fujian, Henan, Guangdong, Chongqing, Xinjiang and other provinces, we cooperated with local governments on projects focused on wireless government, wireless industry, and wireless life, all as components of wireless city programs.

In Xiamen, our parent company adopted TD-HSDPA network as the main network for the project. This is the first wireless city in Mainland China, and the first in the world to run on TD-SCDMA technology. Using full-scale TD-SCDMA coverage throughout the city, we have provided public managers and urban residents with new models for city management and urban living.

A Review of Building a Wireless City in Xiamen

The first Wireless Campus was launched.		We formally established a cooperation agreement with the Xiamen government.		The project was formally launched in the Xiamen Convention Center, making Xiamen the first wireless city in China.	
May 2008	July 8, 2008	August 2008	August 22, 2008	August 28, 2008	September 8, 2008
	We started to plan the construction of the Xiamen wireless city project based on our TD network.		The first phase of construction was successfully completed with the launching of a management system.		We signed a Wireless City Memorandum of Cooperation with the Xiamen government.

The Boundless Experience of a Wireless City

Centered around three services – "wireless government", "wireless industry" and "wireless life" – mobile information services were developed to contribute to all aspects of city life: government work, business operations, and the everyday lives of local citizens.

◎ Efficiency in Public Services

To address public complaints about noise at night, the urban management department installed remote noise monitoring devices at the six construction sites logging the most complaints, promptly delivering the data detected to the urban management department through our TD network If the period of illegal noise reached one minute, the project manager would receive a prompt message for examination and timely adjustment. If the issue was not resolved within ten minutes, law enforcement officials would be dispatched to the site to supervise and manage the issue. At present, the noise-related complaints have been reduced by 30-40%. One construction site even logged a "0" complaint rating.

◎ Logistics and Traffic Controls, Convenience for Local Residents

Citizens are now able to use TD handsets to access the "Palm 110" website while driving to obtain real-time traffic information for key junctions and roads in Xiamen. By choosing the best route, residents can save on fuel costs and time.

◎ Improving Quality of Life, Innovation in Mobile Experience

Zhou Qiang is a trendy Xiamen citizen in his twenties. Due to security concerns, he appreciates being able to use his mobile phone to monitor his home while he is out. He clicks "Home Gateway" and is able to access the "Wireless Xiamen" website, which provides two options: "Video Monitoring" and "Video Reporting". By selecting the "Video Monitoring" function, Zhou can keep an eye on his home.

◎ *In Fujian, TD network was used for traffic monitoring and control*

Looking forward, we will support our parent company to expand TD network construction and coverage. Working closely with the government, we will continue to support the development of a Wireless City, giving people access to the benefit and conveniences of an information society.

◉ SUPPORT FOR THE COMMUNITY

In 2009, we worked diligently to improve our approaches to philanthropy management – we carried out more targeted philanthropic projects, focusing on topics such as support for education and children, and help for disadvantaged and at-risk groups in society – thus playing a role in advancing social progress. At the same time, we encouraged employees to engage in community activities, and built a supportive internal environment for charitable work. Finally, taking advantage of the size and scope of our business, we launched various public welfare platforms that allowed us to actively solicit public support for community issues.

� launching the China Mobile Charity Foundation 〗

An effective approach to managing philanthropic activities is paramount to ensuring effective giving. We have worked diligently to improve the way we manage, focus and measure the impact of our philanthropic endeavors – ensuring that our philanthropic resources materially contribute to the well-being of groups in need.
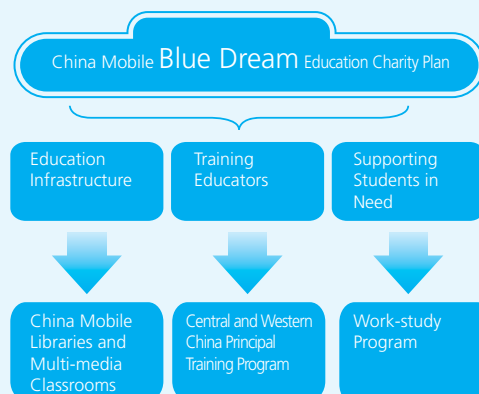
On July 13, 2009, the China Mobile Charity Foundation was officially launched after several years of proactive efforts in this area. The Foundation was set up with 100 million yuan in seed funding from China Mobile Communication Company Limited, one of our subsidiary companies. The foundation was the first privately funded corporate foundation in Mainland China allowed to have the word "China" in its title. This is an important step in ensuring the sound management of our public philanthropic actions.

Guided by our corporate values, the China Mobile Charity Foundation's actions are driven by its core principle of "sincerity, concentration, harmony, and sharing". The foundation provides aid for society's disadvantaged, particularly with respect to education, environmental protection, and disaster relief. Relying on our corporate resources, the Foundation has a mandate to strengthen our approach to philanthropy.

〖 Supporting Education 〗

We pay great attention to the development of the education sector in Mainland China. In 2009, after reviewing our existing efforts, we consolidated our education projects and set out a targeted 3-year development plan for educational philanthropy. The plan focuses on three strategic areas: "education infrastructure, training educators, and supporting students in need". A total of 35 million yuan has been committed to this program, with 12 million yuan donated in 2009.

We have streamlined our education-related philanthropy under the theme, "China Mobile Blue Dream Education Charity Plan", which reflects our sincere and genuine desire to be able to connect students with the educational opportunities they seek.

China Mobile **Blue Dream** Education Charity Plan

Education Infrastructure	Training Educators	Supporting Students in Need
China Mobile Libraries and Multi-media Classrooms	Central and Western China Principal Training Program	Work-study Program

"Going Hand-in-Hand to the Future, Reaching for our Blue Dream"

In Hebei, we designed an education program under the theme "Going Hand-in-Hand to the Future, Reaching for our Blue Dreams". Through this activity, we support the development of Hebei's education sector in two ways: "aid for schools" and "aid for students". Specifically, support is provided via three main programs, our "Information Assistance Program", our "Practical Assistance Program", and our "Care and Assistance Program".

◎ Information Assistance Program: We are committed to creating information services in support of education in Hebei. With the launch of digital campuses, we have developed ten information services products for Hebei's education sector, benefiting more than 3,000 local schools and 2.3 million teachers and parents.

◎ Practical Assistance Program: We continue to invest in ensuring that students receive a practical, well-rounded education. To this end, we have sponsored student activities such as cultural festivals, debate contests in universities, and guest lecturer programs in more than 100 colleges and universities in Hebei.

◎ Care and Assistance Program: We are committed to providing educational opportunities for students who otherwise could not afford them. In Hebei, we support 750 impoverished high school top students and university freshmen through an annual scholarship program funded by our donations. At the same time, we plan to build 11 China Mobile Libraries a year in Hebei to address the severe lack of extracurricular reading in existing local libraries.

Education Infrastructure

In areas where education systems are less developed, we are focusing our philanthropic efforts to improve the educational environment through the construction of educational facilities.

Between 2006 and 2008, through the China Mobile Library Project, we assisted our parent company in building 1,000 libraries in 23 provinces in central and western China, which included a donation of 2.317 million books. Continuing to build on our commitment, the China Mobile Charity Foundation will invest an additional 20 million yuan committed to build 500 libraries and 500 multi-media classrooms in central and western China between 2009 and 2011. Progress has already been made toward this commitment, and as of the end of 2009, we had built 175 libraries and 175 multi-media classrooms.

In Zhejiang, for the last six years, we established an ongoing program called "Supporting Students in Need, Lending a Big Hand to Support Smaller Ones". Over 400 GoTone VIP Club members participated in the program, providing mentorship to 182 students. In 2009, we signed an agreement with Zhejiang Youth Development Foundation and donated 2 million yuan to construct "Dream Playgrounds" in 100 schools in Zhejiang. In 2010 and 2011, we will further develop education and philanthropy programs, including "Dream Study", "Dream Classroom" and "Dream Job Market."

Training Educators

Through organizing trainings and promoting interactions between schools in different regions, we help improve the quality of teaching staff and the educational environment in central and western China.

Between 2006 and 2008, we assisted our parent company on our Principal Training project, which provided training for 3,600 principals from village primary and secondary schools in 12 western Chinese provinces. Between 2009 and 2011, the China Mobile Charity Foundation will invest a total of 15 million yuan for the continued training of 33,000 principals. Starting from 2009, we introduced a new feature into our Principal Training project. Participants from western provinces shadow their peers from eastern provinces, directly participating in school management. The "guides" in this scenario are experienced expert educators who can share their experience. As of the end of 2009, 1,000 principals have participated in this shadow program directly, while another 10,000 principals participated in it by distance learning.

Supporting Students in Need

Through financial aid and work-study programs, we have found practical ways to give disadvantaged students an opportunity to pursue education. These programs take advantage of our scope as a business: in 2009, we developed work-study programs for disadvantaged students all over the country, which have already benefited over 30,000 college students. We have also used our technology to allow the public to show their support.

Currently, work-study centers have been established in Beijing, Jilin, Jiangsu, Guangdong, Zhejiang, Hainan, Guangxi, and Qinghai.

In Qinghai, we established a work-study center for college students, and created a scheme in 2007 that allows us to connect low-income university students with work opportunities. As of the end of 2009, the center had provided practical work experience for 1,000 college students.

Moreover, we have used our business network as an enabler, using it to encourage our customers and the public to provide support.

Donations from Mobile Paper Readers

In 2009, we developed a national initiative that encouraged Mobile Paper customers to donate 0.1 yuan per month. This was used to help with the education and development of children in earthquake-stricken areas. When the project finished in April 2009, we had collected donations totaling 1.06 million yuan. The funds were used to support education through primary, middle, and secondary schools for low-income students with strong academic records living in earthquake-stricken areas.

In Gansu, in 2009, we launched a platform to allow the public to donate money to support disadvantaged university students. Through this initiative, we encouraged customers to donate their customer loyalty points, which were converted into cash and donated to freshmen in nine colleges and universities. As of the end of September 2009, 12,539 customers had participated in the activity, amassing 3.75 million GoTone points and 5.95 M-Zone points, equivalent to over 360,000 yuan in donations which went to support 180 freshmen.

◎ In Jiangxi, we donated and built China Mobile Libraries to improve the infrastructure for education

〖 Caring for Disadvantaged Groups 〗

Supporting disadvantaged groups is an important part of our contribution to building a harmonious society and meeting our social responsibility.

Caring for the Next Generation

We pay great attention to the healthy development of children and in 2009, we continued to invest in philanthropic projects to support AIDS orphans and the children of migrant workers.

In Anhui, we are working with the Anhui Women's Federation, to run "Growing Up Happily", a long-term program that provides counseling to children for whom one or more parent has left home in search of employment, a common challenge for migrant workers' children in China. Through this program we have completed more than 200 psychological evaluations and enrolled 50 children in the program.

In Guizhou, we launched an Easyown reunion plan to realize the dreams of left-behind children of migrant workers by paying for transportation and accommodation expenses to help these children reunite with their parents.

Supporting Others in Need

We have organized several focused donation efforts to provide support to disadvantaged groups. In 2009, after the "Xinjiang 7•5" incident, our parent company donated 10 million yuan to help injured people of all ethnicities in the region. Our parent company also donated 10 million yuan to Taiwan immediately after Typhoon Morakot. In addition, in 2009, through our parent company's donation of 45 million yuan to reconstruct Sichuan's Li Bing Middle School, the school has now become operational, providing a good learning environment for children affected by the earthquake.

In Guangdong, we launched the "10,000 Cataract Patients' Eyesight Recovery Activity" in May 2009. We contributed 10 million yuan to provide free operations for impoverished cataract patients, and invested 2 million yuan towards constructing the most advanced mobile eye surgery vehicle in China – "China Mobile Brightness Express" – to help patients regain their vision.

In Yunnan, we launched "Giving Warm Hearts", a program that provides financial aid and winter clothes and bedding for people in need. We also cooperated with the Yunnan Red Cross to launch an SMS donation platform so mobile phone users could make donations more conveniently.

The Warm China 12•1 Program

In order to improve the living conditions of children orphaned by AIDs, China Mobile and the All China Women's Federation (ACWF) launched the "Warm China 12•1 program – China Mobile Cares" in the middle of December 2007. The initial period for the Foundation's activities was set as five years (2008-2012), and it was planned that 10,000 children orphaned by AIDs would benefit by receiving care from families that could obtain financial support and training. Our parent company donated 50 million yuan as the initial capital of the Warm China 12•1 program, to be used to support children orphaned by AIDs and their living and education. Three million yuan was contributed to build the "Warm China 12•1" program website and project management platform. These technologies help Warm China 12•1 program manage data more effectively and communicate with the public.

In 2009 we continued to provide tailored training to program managers and families involved in the program, helping to improve communications between parents and children in these families. We have also put together a video documenting the program. As of the end of 2009, the project had sponsored 9,791 children orphaned by AIDs and children from the poorest families, contributed 15.73 million yuan, and constructed a detailed children orphaned by AIDs database.

"M-zone Smile Again Plan"

In Sichuan, we cooperated with the Sichuan Communist Youth League Committee and the Sichuan Young Volunteers Association to launch the "M-zone Smile Again Plan," which called on M-zone users to volunteer to help children in disaster areas with practical support.

◎ M-Zone public welfare activity website: the construction of the website achieved good online publicity. Through the site, we were able to better organize and manage volunteers.

◎ Smiles with messages: A website and phone number 10657000012345 to collect special greetings for disaster victims.

◎ Taobao charity sale zone: We cooperated with Taobao to set up an M-zone charity sale zone, in which charity sale volunteers donated articles and sales income to The One Foundation for assistance in rebuilding of schools in the disaster areas.

◎ Smile interaction – Stepping into 30 schools in the disaster areas: We called on volunteers on the public welfare website to go to primary schools and middle schools in disaster areas every week to interact with children under the guidance of professional counselors.

〖 Aiding Community development 〗

In 2009, we continued to increase our aid to Xizang to reduce poverty. We also helped local graduates who were affected by the global economic crisis and migrant workers who had returned home to find jobs.

Poverty Alleviation

We continue to work and help develop poor areas, using our company resources to offer financial help, technical aid, and management support.

In Xizang, since 2002, our parent company continues to help Gerze in Ali, Xizang. Ten volunteers have been appointed to the area and almost 100 million yuan in financial support has been provided. We coordinated aid projects focused on infrastructure construction, education, and health, effectively improving the lives of local peasants and herdsmen. In 2009, we signed a strategic cooperation framework agreement with the People's Government of the Xizang Autonomous Region, and agreed on funding priorities for 2009 to 2010 in the Ali region.

In Heilongjiang, in 2002, a ten-year point-to-point poverty relief program in Tangyuan and Huanan counties in Heilongjiang was launched. By 2009, six poverty relief volunteers had been appointed to the region and 44.6 million yuan had been invested by our parent company for poverty relief projects focused on infrastructure and other projects that benefit the local people. Simultaneously, we worked to expand local telecommunications network coverage, using information solutions to promote local economic development.

Promoting Employment

2009 was a difficult year for graduates and migrant workers to find jobs due to the financial crisis. We made use of our unique role to create a platform for employment which contributed to social development.

In Hubei, we set up an employment consultation information service using the 10086 and 12580 platforms as mobile information consultation desks. We also launched a campaign to provide employment positions for 1,000 returned migrant workers and 1,000 graduates.

◎ In Fujian, we facilitated special transportation for workers to return to their hometown for the New Year celebration

In Hunan, we launched a Returned Youth Entrepreneurship activity and 2009 M-zone Campus Entrepreneurship Competition. We also donate 12 million yuan to Hunan Youth Development Foundation to establish the Hunan Youth Employment and Entrepreneurship Foundation and the M-zone Campus Ten Million Entrepreneurs Foundation. Consequently, we contributed to helping young people find employment or become entrepreneurs.

In Sichuan, we launched a Graduate Employment and Entrepreneurship Promotion Activity involving a large-scale youth business plan competition, and provided four services: motivational lectures, practical experience, a business plan competition and a graduate employment and career guidance center.

Providing Employment and Promoting Social Harmony

In Guangdong, we launched a public welfare activity to help provide employment and promote social harmony as part of our efforts to promote community development.

◎ "Care 100": Because of the large quantity of migrant workers in Guangdong, we proactively created an interactive information platform to address the day-to-day problems suffered by migrant workers. As of the end of 2009, there were more than 2 million customers, an average of 300,000 SMS were being sent each month, and average monthly visits to the WAP site exceeded 1.13 million times. 145,913 users obtained insurance through "Care 100" and dozens of labor disputes and cases of labor rights protection were resolved.

◎ Returned Home Rural Youth Employment and Start-up Activity: We cooperated with the Guangdong Youth League Committee and other organizations to provide internships, training and a special venture fund for rural youth who recently returned home. We launched an employment and start-up training program and provided microcredit and advice to those who performed best to help start their projects.

◎ Love China and Be An Entrepreneur in Guangdong – network entrepreneurship activity: In order to encourage more people to start businesses in the network field we worked with a number of relevant universities to encourage the public to create short messages, multimedia messages, mobile phone slogans, mobile phone videos, and other network-related outputs. As of the end of 2009, over 660,000 people had registered and contributed over 230,000 pieces of work. These were widely broadcast and downloaded to promote entrepreneurship in the network field and to generate market support and expand the channels for entrepreneurship.

◎ I love Guangdong – 12580 for Employment: We established a hotline to help migrant workers find job information, contributing to the government's efforts to assist migrant workers to find employment.

〖 Promoting Volunteering Service 〗

We actively promote the spirit of volunteering. Internally, we continue to promote participation in employee volunteering program. Externally, we make full use of our information platform to garner more support for volunteering activities.

In 2009, building on the establishment of our Employee Volunteers Association that was founded in 2008 and our ongoing promotion of volunteering projects, we sought to improve our employee volunteer management system and allowed each employee to spend one paid working day per year on volunteering activities. We created a function in our OA system to make it convenient for employees to apply for this time off, and allow us to track and record their involvement.

We also worked on improving the quality of our volunteering activities, rolled out more local volunteering organizations across the country, and launched a series of employee volunteering support activities in all provincial companies.

In Hebei, we responded to the call by the government to help battle the ice and snow. We organized employee volunteers to assist traffic policemen in managing traffic in high traffic areas during rush hours so that traffic flowed smoothly and safely.

In Sichuan, we created the China Mobile Sichuan Company Volunteer Management System, and organized over 1,460 youth volunteers to carry out volunteering activities in earthquake-stricken areas, including Pengzhou, Dujiangyan, Shifang, Beichuan and Wenchuan. In total, we donated over 25,000 yuan and helped 3,000 victims.

In Jiangsu, our employees have assisted students in Hubei Sanping Hope primary school in the name of Zhang Wenming for six years. We have also cooperated with the local municipal committee and other organizations to launch the first migrant worker public welfare organization in Mainland China, which has developed extensive public welfare volunteer activities. These activities included 600,000 citizens, in which more "Zhang Wenming Service Stars" emerged, and over 20 employees obtained state-level, provincial-level and municipal-level honorary awards.

Jiangxi Volunteering Event: Caring for Society

In Jiangxi, we launched an activity that planned to involve tens of millions of youth in voluntary service projects, and to recruit 100,000 registered volunteers in Jiangxi over the next two years. We will be focusing on the following activities:

◎ Established 100 Jiangxi youth volunteering service stations: We established 100 service stations to coordinate volunteering services within the stations' respective areas, also helping to connect the supply of volunteers with the demand.

◎ Established 1,000 Jiangxi mobile volunteering service convenience stores: We encouraged youth entrepreneurs to sign up at 1,000 convenience stores in Jiangxi and thus promoted youth volunteering service.

◎ Set up the 12580 Jiangxi volunteer application hotline, a platform for technical innovation staffed by two people, and established a volunteer application to register volunteers, enroll volunteers, give them advice and gather statistics of young volunteers. In the first quarter of 2009, the 12580 volunteer application hotline received 12,149 consultation or application calls, and 2,848 new volunteers were enrolled.

China Mobile Employee Volunteering (person times)

Year	Person times
2008 (1-9)	103,313
2009 (1-9)	133,459

In 2009, through the establishment of the China Mobile Charity Foundation, we have integrated our existing public charity activities and developed a series of new activities which have had a positive impact on society. In order to better meet a wider range of educational needs, promote the healthy development of children, effectively respond to an aging population, and contribute to social equality and prosperity, our foundation will play the role of a public service platform to expand our philanthropic activities and allow the wider public to benefit from our achievements.

◎ *In Beijing, employee volunteers and community volunteers help with the 60th National Day celebration of the PRC*

◎ *In Sichuan, employee volunteers provide support to students at the rebuilt Libing Middle School*

◉ CHINA MOBILE IN HONG KONG

In January 2006, we acquired China Mobile Peoples Telephone Company Limited as our operating subsidiary in the Hong Kong SAR. On 5 December 2008, the name of the company was changed to China Mobile Hong Kong Company Limited ("Hong Kong Company"). The brand name, "PEOPLES" remains unchanged.

We worked hard to provide innovative and diverse telecommunications services to our customers locally. These include voice services, data services, IDD and roaming services. Taking advantage of our corporate synergies, we provided Mainland China and Hong Kong customers with unique, professional, cross-border information products and services. Since the commencement of its operations, the Hong Kong Company continued its steady and comparatively rapid growth, and made tangible improvements in network coverage, quality of communication services, product development and customer service. In the meantime, the Hong Kong Company also actively fulfilled its social responsibility, and ensured that it operated in strict compliance. Its performance won great customer recognition.

Enhanced Infrastructure and Ensuring Stable Network

In 2009, the Hong Kong Company, despite the highly competitive market, continued to drive construction of network infrastructure, providing reliable telecommunications services to our customers.

Extending Coverage to Remote Areas

Since completing our acquisition of the Hong Kong Company, we continued to increase its investment in network construction, with a 70% cumulative increase in base stations and a 90% increase in carrier frequencies since the acquisition to ensure that indoor and outdoor network coverage meets leading local standards. This greatly improved its network quality and coverage. Since 2006, we worked to improve network coverage in country parks and remote areas in Hong Kong and have set up 16 new base stations in Robin's Nest in Northern District in the New Territories, Tai Fung Au on Lantau Island, Pat Sin Leng and Lantau Country Park to provide reliable network coverage for residents visiting these areas.

Improving Emergency Communication Services

Hong Kong has a highly mobile population. To help address this, in addition to providing the usual welcome text messages, we will also, in the event of an emergency, send text messages under our own initiatives or upon the government's request to customers who happen to be in the area in which the emergency event occurs. At the same time, we work hard to ensure network quality and reliability during major public events. To prepare for the 2009 East Asian Games held in Hong Kong, we added 7 new base stations to ensure smooth communications and 100% coverage in the event stadiums.

Improving Quality of Customer Service

Innovative Products and Services

Communication, business, and trade between people in Hong Kong and the Mainland China are very common. In 2009, the Hong Kong Company used its synergies with China Mobile – and our local presence in both areas – to promote a series of cross-border services, such as enhanced versions of one SIM card equipped with more than one phone number, GoTone service packages for Hong Kong, and China–Hong Kong compatible Blackberry services. At the same time, in all Hong Kong sales outlets, we provide the ability for Mainland China customers to replace SIM cards and make mobile phone payments. This ensures that customers can continue to enjoy service on both sides of the border. This is a contribution to facilitate communication between people and business across borders.

Ensuring Transparency in Customer Service

Since January 2003, the Hong Kong Company has participated in the Office of Telecommunications Authority's Correct and Timely Accounting Plan to promote billing accuracy, and in participating in this plan, we conducted an internal and external audit demonstrating compliance with the plan.

With respect to internal management, before monthly bills were issued, bills will be sample tested by multiple departments in order to prevent billing mistakes. In 2009, we added additional channels on our own website and WAP website to allow customers to check their usage information and select the most suitable package.

Protecting Customer Privacy

The Hong Kong Company has strictly managed customers' data security according to the relevant laws and regulations regarding personal information management. We established privacy policies that we require employees to strictly abide by. At the same time, the Hong Kong Company has developed a back-end storage room for the prevention of customer information leakage. Starting from 2009, we adopted the Customer Credit Material Security Standards from the PCI DSS Council.

Serving Special Groups

We provided favorable monthly fees for the elderly, as well as free intra-network SMS services for the hearing-impaired people, students and foreign domestic helpers. We have also set up an Indonesian hotline and have hired Indonesian employees at sales outlets to provide better services for our Indonesian customers. We also have special offers on long-distance calls for ethnic minorities for them to enjoy IDD services at a discounted rate in order to communicate quickly and conveniently with their home countries.

Enhancing Employee Satisfaction, Building a Harmonious Working Environment

Employees are our most valuable asset. The Hong Kong Company has encouraged local employment to build a harmonious working environment.

Promoting Local Employment

Local employees account for over 99% of the workforce of the Hong Kong Company, of which 100% of regular employees are local and 98% of management is local.

Percentage of Local Hires in Hong Kong

Year	Percentage
2007	99.6%
2008	99.5%
2009	99.7%

Creating a Harmonious Working Environment

The Hong Kong Company paid great attention to the health and safety of employees, and cooperated with the Hong Kong Labor Department to provide professional safety training for employees. To improve comfort at work, we purchased foot supports for employees and arranged free meal deliveries to the customer service center so employees can enjoy a longer break time.

Addressing Climate Change and Promoting Energy-Saving and Environmental Protection

The Hong Kong Company has continually strived to build an environmentally-friendly business. We continued to strengthen workplace and network energy saving and emission reductions. We also promoted the recycling of e-waste and improved management of EMF in view of our vision to promote sustainable environmental development.

Energy Efficiency in the Workplace and our Network

Consistent with Hong Kong SAR's strategy, the Hong Kong Company gave preference to highly energy-efficient electric appliances and moved our office to Hong Kong's first internationally LEED™-certified (Leadership in Energy & Environmental Design Building Rating System) "Green Building" in 2008.

We also increased the use of energy-efficient office devices, increased energy-saving communications within the office, used recycled paper, saved and recycled office paper and print cartridges, and gradually implemented electronic billing and flexible value-added prepaid card services.

Promoting e-Waste Management

Regarding the management of e-waste, the Hong Kong Company commissioned the companies that had been certified for handling of e-waste by the Environmental Protection Department to closely follow government regulations to handle and manage e-waste.

EMF Management

In order to build a healthy, green network, we strictly implemented relevant laws and regulations. All newly-constructed base stations carried out environment radiation tests to comply with the requirements of the Office of the Telecommunications Authority. As of the end of 2009, not a single base station has breached the EMF regulations.

Caring for the Local Community, Excellence in Corporate Citizenship

The Hong Kong Company paid attention to community development, promoted philanthropic activities, working with organizations like the Hong Kong Red Cross. We also established an employee recreation club. This leveraged our employee's potential, and helped us initiate a diverse range of philanthropic activities.

◎ In April 2009, we held a food donation activity for the St. James' Settlement's People's Food Bank;

◎ In June 2009, we held a blood drive for the Red Cross, with 52 employees donating blood;

◎ In November 2009, we participated in an activity organized by Habitat for Humanity to build new homes for poor households in five Asian countries, provided free China-Hong Kong cross-border communication services for 40 volunteers, and sent free SMS to our customers to promote the project.

◎ It supported the Hong Kong Red Cross in its Sichuan Earthquake Relief efforts, and provided 30 volunteers with free cross-border mobile telecommunications service all year round.

Through responsible business practice, the Hong Kong Company has received recognition and support from the public. Up to now, the Office of the Telecommunications Authority has never penalized or reported us for any non-compliance with relevant rules and regulations. In 2009, the Hong Kong Company also received the Hong Kong Tourism Board's award for Excellence in Travel Services. The Hong Kong Council of Social Service has also recognized us as a "Caring Company."

◎ A food donation activity for the St. James' Settlement's People's Food Bank was held in Hong Kong

◉ 2009 KEY CSR PERFORMANCE INDICATORS (KPI)

	2007	2008	2009
Company Performance			
Number of customers (million)	369.339	457.250	522.283
Operating revenue (million yuan) #	357,477	411,810	452,103
Taxes paid (billion yuan) #	42.1	36.7	38.4
Building Employee Satisfaction			
Number of employees	127,959	138,368	145,954
Average annual training time per employee (hours)	45*	46.4*	56.7
Building a Responsible Network			
Employees Deployed for Emergency Response Purposes (person times)	124,792	1,379,260	204,754
Wireless call connection rates (%)	99.2	99.2	99.2
Cumulative number of customer complaints related to unhealthy content addressed (10,000)	71	763	1,500
Narrowing the Digital Divide			
Cumulative number of administrative villages covered via the Village Connected project	39,784	41,843	43,714
Cumulative number of natural villages covered via the Village Connected project	5,367	19,904	34,122
Agricultural Information Service customers (1,000)	26,430	38,680	46,140
Addressing Climate Change			
Energy use (GWh)	8,160	9,350	10,620
Carbon dioxide emissions (million tonnes)	6.92	7.94	9.02
Number of base stations using alternative energy	–	2,135	6,372
Cumulative number of mobile phones and accessories recycled (1,000)	2,600	3,950	5,310
Building Toward an Information Society			
Number of Mobile Paper paying customers (million)	23.55	41.49	49.12
Number of M2M (machine to machine) terminals (million)	–	–	3.52
Number of Campus Information System customers (million)	16.90*	–	32.16
Number of cities launching Digital Urban Management Service	28	–	80
Support for the Community			
Employee volunteering (person times)	–	103,313*	133,459*

* Items marked with an asterisk are current as of September 30 of that year.

\# Effective from 1 January 2009, the Company retrospectively adopted the IFRIC/HK (IFRIC) Interpretation 13 — Customer Loyalty Programmes. The comparative figures have been restated according to IFRIC/HK (IFRIC) Interpretation 13.

⦿ LOOKING FORWARD

Building CSR Management Systems

CSR Management Systems	◎ Increase awareness of CSR issues, integrate corporate responsibility into the way we operate as a business and as individual employees
	◎ Implement CSR Risk Management Systems across the business, improving quality of CSR management and preventing risk through responsible business practice. Develop innovative information solutions that promote sustainability for society and the environment
	◎ Continue to use our internal Sustainability Indexes System to assess performance, improve engagement with stakeholders, actively participate in global CSR dialogues and partnerships, and continue to improve CSR performance
Communicating with Stakeholders	◎ Continue to set up regular and consistent engagement on key issues
	◎ Work together and cooperate with stakeholders on material CSR issues

Key CSR Issues

Building a Responsible Network	◎ Improve EMF management and environmental testing during network construction
	◎ Increase EMF research and communication with local communities
	◎ Work with many public stakeholders to effectively improve technical and policy management for spam and unhealthy content, and to directly reflecting customer feedback. Actively develop positive content for mobile media, promoting a healthy culture
Narrowing the Digital Divide	◎ Continue to help our parent company meet its commitments to the Village Connected project; expand the applications available through our Agricultural Information Service
	◎ Develop mobile solutions and services to promote e-commerce in the agricultural industry
	◎ Reach 100% telecommunications coverage for administrative villages and 40% in natural villages in rural areas; provide Rural Administration Information Service in 10,000 government offices; run 100,000 Information Service sites by 2012
Addressing Climate Change	◎ Continue to implement our Green Action Plan; develop innovative technology; streamline management; strive to achieve our goal to conserve 11.8 billion kWh from 2009 to 2012
	◎ Use our advantages as an ICT company to promote low carbon information solutions for individuals and businesses
Building Toward an Information Society	◎ Increase research and promotion of the Internet of Things; actively work to transform industry practice through intelligent information services and solutions
	◎ Develop innovative information products and services for multiple industries that drive efficiency, security, and sustainability
Support for the Community	◎ Continue to develop the potential of the platform built by our Charity Foundation; continue to run our Warm China 12•1 program, "China Mobile Blue Dream Education Philanthropy Plan" and other philanthropic activities
	◎ Continue to develop our Employee Volunteering Association; actively encourage employee participation in volunteering events; support a diverse set of high-impact employee volunteering programs

⦿ STAKEHOLDER COMMENTARY
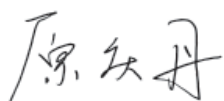
〖 China Mobile: Enabling a Green Lifestyle 〗

Environmental protection is a major pillar of sustainability. The government has put out a call to action: society should adhere to and implement the Scientific Outlook on Development, build a conservation culture, and take environmental protection into consideration in our growth and development. Protecting the environment should be a priority for improving and maintaining people's lives, as environmental protection is simply a common area of concern for all of society. Companies play an important role in society in generating financial value; they must also work to protect the environment and meet their social responsibilities.

In China Mobile's CSR Report, it is clear that China Mobile has actively taken steps and is committed to reducing emissions. It has worked to implement its Green Action Plan and has strengthened its approach to ensuring green management in its value chain. Moreover, the company has promoted energy-efficient technology and built green buildings, taking steps to create environmentally-friendly working environments. It has also worked to make sure that e-waste is properly managed. The company has taken on all of these actions very proactively with impressive results. In 2009, the company had conserved 1.8 billion kWh and voluntarily agreed to conserve 11.8 billion kWh of electricity from 2009 to 2012. Taken together, these demonstrate China Mobile's genuine and determined commitment to environmental protection.

China Mobile has also worked to make environmental protection a part of its product and service offerings. In line with the theme of the CSR report, "The Change," mobile information solutions have an enabling effect. Other industries can use the China Mobile solutions to reduce emissions and decrease energy use. In the CSR Report, there are several examples of these solutions at work: remote monitoring and reading of meters for the electricity and oil industries, vehicle dispatching systems, and "intelligent" technologies for better urban management, just to name a few. These types of mobile services will help to enable society to conserve its energy use. The CSR Report also notes that China Mobile has worked closely with Hebei Province's Environmental Protection Bureau on a project that allows for video-monitoring of pollution at its source – allowing for 24-hour recordings of all potential pollution discharge points. Without even leaving their offices, environmental officials can now control and access data quickly and reliably. These products and services can create real value for business, and can contribute directly to environmental protection.

Environmental protection is a big responsibility covering an extremely vast field. In this space, China Mobile still has great potential to develop. Looking forward, I hope that China Mobile strengthen its research on EMF radiation. Furthermore, the company should take steps to minimize – as much as possible – the negative environmental impacts of base station construction, and realize its vision of mobile technology enabling a green lifestyle.

I hope that other companies could learn from China Mobile – using CSR Reports to disclose company practices around environmental management, energy use, CO_2 emissions, and other key data – allowing the public to become aware of company efforts in this field and promoting the creation of a harmonious society.

Yuan Qingdan
Deputy Director, Policy Research Center for Environment and Economy, Ministry of Environmental Protection

【 A Starting Point for Further Dialogue 】

The 2009 Corporate Social Responsibility (CSR) report of China Mobile continues to set an example for other companies in China, providing the type of CSR disclosure which is useful for investors.

The report clearly discusses the business rationale for China Mobile's CSR initiatives, covers the major non-financial topics of greatest interest to investors, and provides metrics for each initiative that can be tracked from year to year.

Investors need high-quality information to make sound investing decisions. Traditionally, companies worldwide have focused mainly on providing financial disclosure, but a growing number of investors, particularly those with a longer investing horizon, are recognizing the value of non-financial reporting.
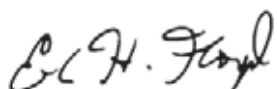
In a world of rapidly changing technologies and global challenges such as climate change and resource scarcity, investors want to better understand a company's potential to manage risks and benefit from new business opportunities. Major companies such as China Mobile are responding by increasing disclosure regarding their environmental, social and governance (ESG) performance and strategies.

As the first and only mainland Chinese company listed on the Dow Jones Sustainability Indexes, China Mobile continues to make strides in its fourth CSR Report in informing investors what ESG issues they are taking into account in business decision-making, and where they see the risks and opportunities.

Particularly pleasing in this latest report was the company's active discussion of the steps it is taking to respond to climate change, and to promote rural development through development of new mobile services.

We encourage China Mobile to use this CSR report and the important information it contains as a valuable starting point for active dialogue with investors and other stakeholders about both the risks and opportunities identified.

(The views expressed in this statement are those of the author alone, and are not intended to represent the views of the Board or membership of ASrIA.)

Erik Floyd
Joint Executive Director, Association for Sustainable & Responsible Investment in Asia (ASrIA)

⊙ FEEDBACK

Dear Reader:

Thank you for taking the time to read our 2009 Corporate Social Responsibility Report. There are inevitably some flaws and omissions in this report and we very much welcome your comments and suggestions.

Thank you,

China Mobile 2009 CSR Report writing team

March 2010

Name				
Contact Information	Telephone		Email	
Company				
Report Feedback*	Readability	Objectivity	Logic and Structure	Completeness
CSR Strategy and Management				
Enhancing Employee Satisfaction				
Building a Responsible Network				
Narrowing the Digital Divide				
Addressing Climate Change				
Building Toward an Information Society				
Support for the Community				
China Mobile in Hong Kong				
Looking Forward				
Overall Feedback				

*Please rate from 1-5, with 1 being the lowest and 5 being the highest.

You are welcome to contact the China Mobile 2009 CSR report writing team at: CR@chinamobile.com or via fax at 86-10-66006167. We value your feedback and will use it to improve our CSR reporting process. We will maintain the anonymity of your feedback, and your information will not be shared with any third party.

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CHINA MOBILE

China Mobile Limited

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⦿ GRI Index (G3)

No.	Index	Relevance	Page
	Strategy and Analysis		
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	High	1
1.2	Description of key impacts, risks, and opportunities.	High	1
	Organizational Profile		
2.1	Name of the organization.	High	3-4
2.2	Primary brands, products, and/or services.	High	5
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	High	—
2.4	Location of organization's headquarters.	High	—
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	High	3
2.6	Nature of ownership and legal form.	High	4
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	High	4-5
2.8	Scale of the reporting organization (including Number of employees; Net sales or net revenues; Total capitalization broken down in terms of debt and equity; and Quantity of products or services provided).	High	4,60
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	High	3
2.10	Awards received in the reporting period.	High	4
	Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	High	3
3.2	Date of most recent previous report (if any).	High	3
3.3	Reporting cycle (annual, biennial, etc.).	High	3
3.4	Contact point for questions regarding the report or its contents.	High	64
3.5	Process for defining report content.	High	3
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	High	3
3.7	State any specific limitations on the scope or boundary of the report.	High	3
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	High	3
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	High	3
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	High	37,60
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	High	3
3.12	Table identifying the location of the Standard Disclosures in the report.	High	3,65-70
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	Medium	—
	Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	High	6
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	High	6

No.	Index	Relevance	Page
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	High	6-7
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	High	6-7,18
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	High	6-7
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	High	6-7
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	High	6-7
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	High	1,3,11-12
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	High	13
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	High	6-7
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	High	6-7
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	High	3,70
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	High	3
4.14	List of stakeholder groups engaged by the organization.	High	14
4.15	Basis for identification and selection of stakeholders with whom to engage.	High	14
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	High	14
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	High	14-16
	Economic Performance Indicators		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	High	4,60
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	High	8
EC3	Coverage of the organization's defined benefit plan obligations.	High	17-19
EC4	Significant financial assistance received from government.	Not Applicable	—
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	High	17
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	High	58-59
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Medium	17,59
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	High	30-35,56
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	High	8-10,30-35
	Society Performance Indicators		
LA1	Total workforce by employment type, employment contract, and region.	High	4,17
LA2	Total number and rate of employee turnover by age group, gender, and region.	High	—

No.	Index	Relevance	Page
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	High	17
LA4	Percentage of employees covered by collective bargaining agreements.	Not Applicable	—
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	High	—
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	High	—
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.	High	17
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	High	17
LA9	Health and safety topics covered in formal agreements with trade unions. Health and safety topics covered in formal agreements with trade unions.	High	17
LA10	Average hours of training per year per employee by employee category.	High	17
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	High	17
LA12	Percentage of employees receiving regular performance and career development reviews.	High	17
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	High	17
LA14	Ratio of basic salary of men to women by employee category.	High	17
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not Applicable	—
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not Applicable	—
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not Applicable	—
HR4	Total number of incidents of discrimination and actions taken.	High	17
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not Applicable	—
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	High	17
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	High	17
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not Applicable	—
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	High	17
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	High	14,53-57
SO2	Percentage and total number of business units analyzed for risks related to corruption.	High	—
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	High	—
SO4	Actions taken in response to incidents of corruption.	High	—
SO5	Public policy positions and participation in public policy development and lobbying.	High	30,36
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not Applicable	—
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	High	—
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	High	—

No.	Index	Relevance	Page
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	High	22
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	Low	—
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Medium	24
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	High	24
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	High	23
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	High	24-27
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	High	—
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	High	25
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	High	—
Environmental Performance Indicators			
EN1	Materials used by weight or volume.	Medium	40-41
EN2	Percentage of materials used that are recycled input materials.	Medium	40-41
EN3	Direct energy consumption by primary energy source.	High	37
EN4	Indirect energy consumption by primary source.	High	37
EN5	Energy saved due to conservation and efficiency improvements.	High	37-39,42-44
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Low	39-44
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Low	42
EN8	Total water withdrawal by source.	Medium	—
EN9	Water sources significantly affected by withdrawal of water.	Low	—
EN10	Percentage and total volume of water recycled and reused.	Low	—
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Low	—
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	High	44
EN13	Habitats protected or restored.	Low	—
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Low	—
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Low	—
EN16	Total direct and indirect greenhouse gas emissions by weight.	High	37
EN17	Other relevant indirect greenhouse gas emissions by weight.	High	37
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	High	36-45
EN19	Emissions of ozone-depleting substances by weight.	Low	—
EN20	NO, SO, and other significant air emissions by type and weight.	Low	—
EN21	Total water discharge by quality and destination.	Low	—
EN22	Total weight of waste by type and disposal method.	High	40-41
EN23	Total number and volume of significant spills.	Not Applicable	—

No.	Index	Relevance	Page
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Low	—
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Low	—
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	High	36-45
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Low	41
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	High	—
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Low	37,41
EN30	Total environmental protection expenditures and investments by type.	High	—

GRI Telecom Index

No.	Index	Relevance	Page
	Internal Operations		
IO1	Capital investment in telecommunication network infrastructure broken down by country/region.	High	30
IO2	Net costs for service providers under the Universal Service Obligation when extending service to geographic locations and low-income groups, which are not profitable. Describe relevant legislative and regulatory mechanisms.	High	30-35
IO3	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant. Related health and safety issues include working at heights, electric shock, exposure to EMF and radio frequency fields, and exposure to hazardous chemicals.	High	17
IO4	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to radiofrequency (RF) emissions from handsets.	High	22
IO5	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radiofrequency (RF) emissions from base stations.	High	22
IO6	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets.	Not Applicable	—
IO7	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing, and initiatives to reduce visual impacts. Describe approach to evaluate consultations and quantify where possible.	High	22
IO8	Number and percentage of stand-alone sites, shared sites, and sites on existing structures.	High	—
	Providing Access		
PA1	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas. Include an explanation of business models applied.	High	30-35
PA2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, income, disabilities, and age. Include an explanation of business models applied.	High	28-29
PA3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	High	20-29
PA4	Quantify the level of availability of telecommunications products and services in areas where the organization operates. Examples include: customer numbers/market share, addressable market, percentage of population covered, percentage of land covered.	High	4-5,20,30-35

No.	Index	Relevance	Page
PA5	Number and types of telecommunication products and services provided to and used by low and no income sectors of the population. Provide definitions selected. Include explanation of approach to pricing, illustrated with examples such as price per minute of dialogue/bit of data transfer in various remote, poor or low population density areas.	High	30-35
PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	High	21
PA7	Policies and practices to manage human rights issues relating to access and use of telecommunications products and services.	High	14,23-29,30-35
PA8	Policies and practices to publicly communicate on EMF related issues. Include information provided at points of sales.	High	22
PA9	Total amount invested in programmes and activities in electromagnetic field research. Include description of programmes currently contributed to and funded by the reporting organization.	High	22
PA10	Initiatives to ensure clarity of charges and tariffs.	High	24
PA11	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use.	High	41,43-44
	Technology Applications		
TA1	Provide examples of the resource efficiency of telecommunication products and services delivered.	High	40-42
TA2	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects.	High	32-35,42-44
TA3	Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size, or potential savings.	High	32-35,42-44
TA4	Disclose any estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above, and lessons learned for future development. This may include social as well as environmental consequences.	High	32-35,42-44
TA5	Description of practices relating to intellectual property rights and open source technologies.	High	8-10

◉ The UN Global Compact's Ten Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights (see pages 17-19, 28-29, 30-35); and

Principle 2: make sure that they are not complicit in human rights abuses (see pages 17-19, 28-29, 30-35).

Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining (see pages 17-19);

Principle 4: the elimination of all forms of forced and compulsory labor (see pages 17-19);

Principle 5: the effective abolition of child labor (see pages 17-19); and

Principle 6: the elimination of discrimination in respect of employment and occupation (see pages 17-19).

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges (see pages 36-45);

Principle 8: undertake initiatives to promote greater environmental responsibility (see pages 36-45); and

Principle 9: encourage the development and diffusion of environmentally friendly technologies (see pages 36-45).

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery (see page 6-7).