



中国移动  
China Mobile



*Integrated Innovation of Information and Energy*

$$C = \sum [E + I + f(E \times I)]$$



China Mobile Limited

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

Interim Report 2023



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# Company Profile

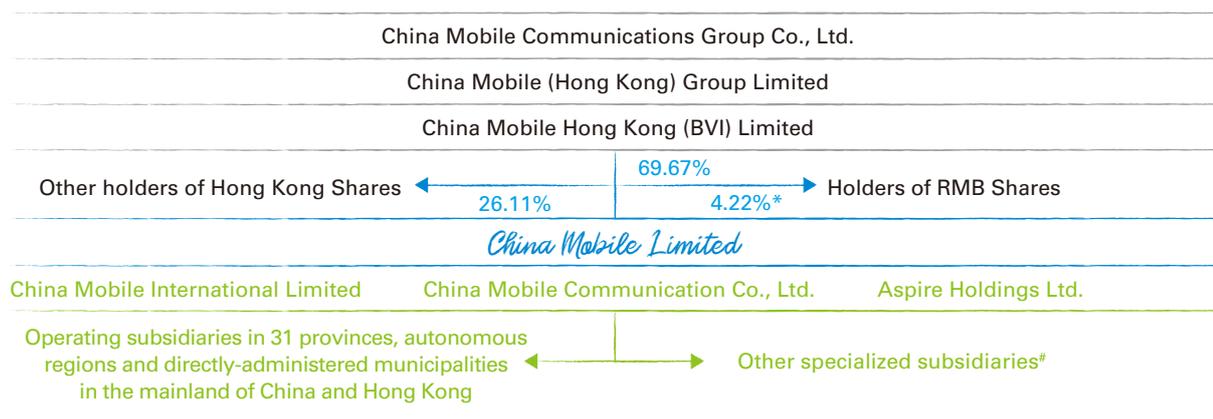
China Mobile Limited (the “Company”, and together with its subsidiaries, the “Group”) was incorporated in Hong Kong on 3 September 1997. The Company was listed on the New York Stock Exchange (“NYSE”) and The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 22 October 1997 and 23 October 1997, respectively. The shares of the Company were admitted as a constituent stock of the Hang Seng Index in Hong Kong on 27 January 1998. On 7 May 2021, the NYSE filed a Form 25 with the US Securities and Exchange Commission and the delisting of the American Depositary Shares of the Company became effective on 18 May 2021. On 5 January 2022, the Company’s RMB ordinary shares (“RMB Shares” or “A Shares”) were listed on the Shanghai Stock Exchange (“SSE”). On 19 June 2023, a RMB counter was added for the trading of shares in the Company listed on the Main Board of the Hong Kong Stock Exchange (the “Hong Kong Shares”).

As the leading ICT services provider in the mainland of China, the Group provides communications and information services in all 31 provinces, autonomous regions and directly-administered municipalities

throughout the mainland of China and in Hong Kong SAR, and boasts a world-class telecommunications and information operator with the world’s largest network and customer base, a leading position in profitability, brand value and market value ranking. Its businesses primarily consist of voice, data, broadband, dedicated lines, IDC, cloud computing, IoT and other services in the Customer, Home, Business and New (“CHBN”) markets. As of 30 June 2023, the Group’s total number of employees approached 450,000, and had a total of 985 million mobile customers and 286 million wireline broadband customers. For the first half of 2023, the Group’s operating revenue was RMB530.7 billion.

The Company’s ultimate controlling shareholder is China Mobile Communications Group Co., Ltd. (“CMCC”), which, as of 30 June 2023, directly and indirectly held approximately 69.79% of the total number of issued shares of the Company. The remaining approximately 30.21% was held by public investors. Currently, the Company’s corporate credit ratings are equivalent to China’s sovereign credit ratings, namely, A+/Outlook Stable from Standard & Poor’s and A1/Outlook Stable from Moody’s.

## China Mobile Principal Organizational Structure as at 30 June 2023



\* Includes 0.12% of the shares of the Company that were directly held by CMCC

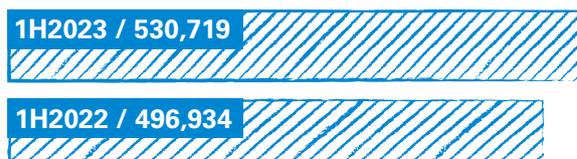
# Other specialized subsidiaries include:

- China Mobile Group Design Institute Co., Ltd.
- China Mobile Group Device Co., Ltd.
- China Mobile Online Services Co., Ltd.
- China Mobile (Suzhou) Software Technology Co., Ltd.
- China Mobile Internet Company Limited
- China Mobile Investment Holdings Co., Ltd.
- China Mobile Financial Technology Co., Ltd.
- China Mobile (Shanghai) ICT Co., Ltd.
- China Mobile Xiong’an ICT Co., Ltd.
- China Mobile Group Finance Co., Ltd.
- China Mobile IoT Company Limited
- China Mobile Information Technology Company Limited
- MIGU Co., Ltd.
- China Mobile (Hangzhou) Information Technology Company Limited
- China Mobile TieTong Company Limited
- China Mobile System Integration Co., Ltd.
- China Mobile (Chengdu) ICT Co., Ltd.
- China Mobile e-Commerce Co., Ltd.
- China Mobile Information System Integration Co., Ltd.

# Financial Highlights

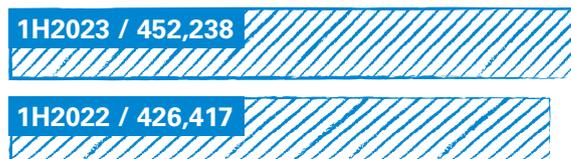
## Operating Revenue

(RMB million)



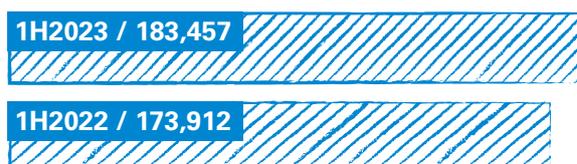
## Revenue from Telecommunications Services

(RMB million)



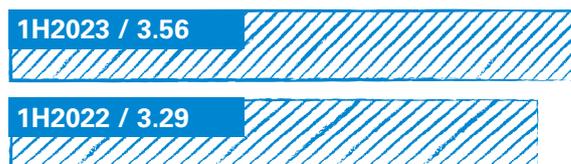
## EBITDA

(RMB million)



## Basic Earnings Per Share

(RMB)



### Six months ended 30 June

	2023	2022
Operating revenue (RMB million)	<b>530,719</b>	496,934
Of which : Revenue from telecommunications services (RMB million)	<b>452,238</b>	426,417
EBITDA <sup>1</sup> (RMB million)	<b>183,457</b>	173,912
EBITDA margin <sup>2</sup>	<b>34.6%</b>	35.0%
Profit attributable to equity shareholders (RMB million)	<b>76,173</b>	70,275
Margin of profit attributable to equity shareholders <sup>3</sup>	<b>14.4%</b>	14.1%
Basic earnings per share (RMB)	<b>3.56</b>	3.29
Dividend per share – Interim (HK\$)	<b>2.43</b>	2.20

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

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

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

# Chairman's Statement

## Dear Shareholders,

In the first half of 2023, despite various difficulties and challenges brought about by insufficient macro demand and complex external environment, we worked closely together as a solid team to seize the valuable opportunities emerging from the flourishing digital economy, deepening the implementation of the world-class "Powerhouse" development strategy. We systematically built our new information infrastructure centering around 5G, computing force network (CFN) and capability middle platform, and innovatively created a new information services system equipped with connectivity, computing force and capability. These efforts, coupled with our deeper and more extensive reforms and innovation, enabled us to achieve fresh accomplishments across all aspects of our operations. We recorded favorable business results and made steady enhancements to quality of growth, laying a solid foundation for achieving our full-year targets. These results were truly hard-earned.

## 2023 INTERIM RESULTS

In the first half of 2023, our operating revenue was RMB530.7 billion, or growth of 6.8% year-on-year. Of this, our telecommunications services revenue accounted for RMB452.2 billion, an increase of 6.1% year-on-year. Total connections<sup>1</sup> reached 3.19 billion, with a net addition of 250 million. CHBN<sup>2</sup> markets saw all-round growth, with HBN revenue accounting for 42.7% of telecommunications services revenue, an increase of 2.7 percentage points year-on-year. Our digital transformation revenue<sup>3</sup> increased by 19.6% year-on-year and reached RMB132.6 billion, taking up 29.3% of telecommunications services revenue. We are steadily advancing our transition from traditional to new growth drivers, with a continuously rising share of revenue contribution from digital transformation. This has underscored the value contribution of digital transformation as our "second curve" of revenue growth.

Profit attributable to equity shareholders was RMB76.2 billion, an increase of 8.4% year-on-year, and earnings per share were RMB3.56. We maintained industry-leading profitability among top-tier global telecommunications operators. EBITDA was RMB183.5 billion, an increase of 5.5% year-on-year. EBITDA as a percentage of telecommunications services revenue was 40.6%. Capital expenditure totaled RMB81.4 billion. Free cash flow amounted to RMB79.1 billion, an increase of 43.3% year-on-year. We maintained a leading position in terms of effectiveness and efficiency, and continued to achieve favorable momentum.

To create higher returns for our shareholders and share the results of our growth, after giving full consideration to the Company's profitability, cash flow generation and future development needs, the Company has decided to pay HK\$2.43 per share<sup>4</sup> for the 2023 interim dividend, representing an increase of 10.5% year-on-year. Full-year profit to be distributed in cash in 2023 will increase to 70% or above of the profit attributable to equity shareholders of the Company<sup>5</sup> for the year. The Company will strive to create more value for shareholders.

<sup>1</sup> Total connections include mobile phones, wireline broadband, IoT cards, household devices and industry device connections

<sup>2</sup> CHBN refers to the "Customer" market (C), the "Home" market (H), the "Business" market (B), and the "New" market (N)

<sup>3</sup> Digital transformation revenue includes the revenues from new businesses from the "Customer" market (Mobile Cloud Drive and others); the revenues from smart home value-added businesses from the "Home" market; the revenues from DICT, IoT and dedicated lines businesses from the "Business" market; and the revenue from the "New" market (excluding revenue from international basic business)

<sup>4</sup> Dividends for A shares will be paid in RMB in the amount of RMB2.2247 per share, applying an exchange rate of HK\$1 to RMB0.915500, which is equal to the average of the mid-prices of HK\$ to RMB as announced by the People's Bank of China during the one week before the day on which the Board declared the interim dividend

<sup>5</sup> The basis of profit distribution of the Company is the profit attributable to equity shareholders under IFRS

Chairman's Statement



## Chairman's Statement

### REMARKABLE RESULTS IN VALUE-ORIENTED OPERATIONS

We adhered to scale-based and value-oriented operations and continued to drive the comprehensive and integrated development of our CHBN markets in a well-coordinated manner, breaking into new areas and opened new markets. All four markets expanded both in scale and value. We consolidated our leading position in the industry and customer satisfaction continued to increase.

#### “Customer” Market: Solid Foundation with Stable-to-rising Growth

We strengthened the integration of data access, applications and customer benefits, and extended our promotion for universal 5G adoption and the China Mobile digital superstore. As a result, our “Customer” market experienced stable-to-rising growth, with revenue reaching RMB259.4 billion in the first half of 2023, an increase of 1.3% year-on-year. Mobile customers totaled 985 million, with a net addition of 10.38 million customers. In our mobile customer base, 722 million were 5G package customers, with a net addition of 108 million. The number of customers using our integrated-benefit products<sup>6</sup> reached 326 million, a net addition of 38.85 million customers. The number of monthly active users of Mobile Cloud Drive, our cloud product, recorded a net addition of 9.76 million customers, bringing the total to 176 million, the second largest in the industry in terms of customer base. The number of customers using our 5G new voice over high-definition video reached 101 million, a net addition of 9.24 million customers. Our range of emerging 5G personal digital products, including cloud XR (augmented reality), cloud games and 5G ultra high-definition video connecting tones, all saw rapid growth. With increased customer value and loyalty, mobile ARPU (average revenue per user per month) reached an industry-leading figure of RMB52.4.

#### “Home” Market: Value Discovery Driving Favorable Growth

We captured the value potential of full-gigabit network and cloud-based applications by deepening our leadership in four areas – gigabit broadband, content-driven TV, platform-based IoT, and ecosystem-enabled HDICT (home data, information and communications technology). As a result, our “Home” market generated favorable growth, with revenue for the first half of 2023 reaching RMB64.9 billion, an increase of 9.3% year-on-year. The number of household broadband customers reached 255 million, or a net increase of 11.15 million, and led the industry. The number of household gigabit broadband customers reached 60.36 million, accounting for 23.7% of the overall household broadband customer base and showing ample room for development from bandwidth upgrade. Our mobile HD customer base reached 201 million. The number of smart home network and home security customers increased by 50.1% and 40.6% respectively year-on-year. HDICT solutions applied in new scenarios such as smart community and digital village have attracted 20.88 million users. Contribution from smart home applications continued to increase, and household customer blended ARPU reached RMB43.3.

<sup>6</sup> This refers to the number of normal on-net customers who have subscribed to our benefit products, including benefit-only integrated products, telecommunications + benefit integrated products, and paid members of our benefit superstore. Duplicate customers within the benefit business are removed

## Chairman's Statement

### **“Business” Market: Strengthened Capabilities with Leading Growth Rate**

We focused our efforts on the integrated development of network, cloud and DICT (data, information and communications technology), by fully leveraging our advantage in cloud and network resources. We focused on Mobile Cloud and 5G industry applications and obtained breakthroughs in scale, and our “Business” market continued to achieve rapid growth. In the first half of 2023, our “Business” market revenue reached RMB104.4 billion, an increase of 14.6% year-on-year. Our corporate customer base reached 24.30 million, with a net increase of 1.10 million customers. Our Mobile Cloud revenue reached RMB42.2 billion, an increase of 80.5% year-on-year. Within Mobile Cloud, the revenue market share of IaaS ranked top 3 in China, with revenue growth of our proprietary IaaS+PaaS exceeding 100%. Cumulatively, we have signed agreements for more than 25,000 5G commercial projects across multiple sectors, driving the value of DICT contracts to RMB20.9 billion in the first half of 2023, or growth of 28% year-on-year. The revenue from our 5G dedicated network reached RMB2.51 billion, an increase of 69.7% year-on-year. We achieved industry leadership in segments including smart mining, smart factories, smart power, smart hospitals, smart city and autonomous driving. We obtained breakthroughs in the new markets of Internet of Vehicles (IoV) and digital government. In the To V market, we forged partnerships with 9 of the top 10 new energy brands in China, ranked by sales volume; in the To G market, we empowered public administration, social governance and services related to people's livelihoods, securing more than 1,000 projects with contract values exceeding RMB3 million each, showing a growing brand recognition in this space.

### **“New” Market: Increased Contribution with Rapid Growth**

The “New” market maintained rapid growth following our efforts to focus on increasing the value contribution from international business, equity investment, digital content and FinTech. Revenue of the “New” market reached RMB23.5 billion in the first half of 2023, an increase of 18.4% year-on-year. In terms of international business, we deepened the synergies between international and domestic markets. We increased the export of high-quality products capabilities and 5G solutions to overseas markets while upgrading our digital infrastructure overseas and further strengthening our international ties. In the first half of 2023, our international business revenue reached RMB10.1 billion, an increase of 25.9% year-on-year. In terms of equity investment, we applied capital to attract and empower the formation and strengthening of industry chains, innovation chains, supply chains, ecological chains and value chains, actively expanding the family and ecosystem of the modern mobile information industry. In terms of digital content, we drew on the China Mobile Metaverse Industry Alliance to assist in our effort to drive the integrated innovation of the digital economy and metaverse, at the same time as enhancing our core products such as MIGU video and cloud games. Digital content revenue reached RMB13.0 billion in the first half of 2023, or growth of 12.5% year-on-year. The number of monthly active users for our cloud games across all platforms boasted a top-of-the-industry scale reaching 120 million. In terms of FinTech, we relentlessly promoted the rapid development of financial services throughout the industry chain, servicing around 600 partners upstream and downstream of the industry chain. We created an all-in-one digital consumption portal across all platforms, driving growth in “and-Wallet” monthly active customers by 64.8% year-on-year.

## Chairman's Statement

We achieved strong growth in digital transformation through increased efforts in business innovation, integrating connectivity, computing force and capability. In the first half of 2023, our digital transformation revenue contributed 84.1% to our incremental telecommunications services revenue and was the strongest driver of revenue growth. In terms of industry digitalization, DICT revenue increased by 24.9% year-on-year to RMB60.2 billion. In the area of personal and household digitalization, our benefit product revenue increased by 23.0% year-on-year to RMB10.2 billion; our smart home value-added business revenue grew by 21.4% year-on-year to RMB17.3 billion.

We are committed to providing exceptional services to our customers through our service system that manages every aspect of services and processes and all employees. As a result, we enjoyed industry-leading overall customer satisfaction. We continued to improve our services across the board, enhancing the quality of customer touch points, products and network. The level of digitalization and the innovative adoption of AI in customer services has greatly increased service efficiency. We also stepped up our communications effort in promoting service culture, contributing to a widespread recognition for quality. We continued to strengthen brand recognition and brand premium, enhancing brand building through the three key areas of strategic branding, brand operations and resource support. China Mobile topped the industry in first-mention, loyalty, reputation and other brand indicators. Our brand value remained one of the best among global telecommunications operators.

### STRONG PROMOTION OF THE “TWO NEW ELEMENTS”

We adopted a systematic approach to developing 5G, CFN and capability middle platform, which are the key components of the new information infrastructure. In addition, we established a new information services system, integrating connectivity, computing force and capability. These measures reinforced our digital intelligence foundation.

**Dual Gigabit maintained comprehensive leadership.** We spared no effort in developing our leadership in 5G network, including furthering our collaboration with China Broadcasting Network Corporation Limited in the areas of co-construction and sharing, expanding synergies from multi-frequency network and extending our 5G coverage in an intensive and effective manner. In the first half of 2023, our investments in 5G network totaled RMB42.3 billion. Cumulatively to the end of June 2023, we have put into use 1.761 million 5G base stations<sup>7</sup>, including 578,000 700MHz 5G base stations. We provided seamless services to 393 million 5G network customers and played a role in promoting the replication at scale of 5G industry applications in various business segments. By anticipating the evolution of 5G development, we continued to lead the setting of 5G R18 standards and completed the first phase of 5G-A trials of eight key new technologies, driving advancements in signature technology and key sectors such as communications and experience integration, space-ground integration, and passive IoT. With a clear focus on customer needs, we built the full-fiber gigabit broadband network and adapted to different scenarios in different regions. Our Optical Line Terminal (OLT) platforms in urban areas boast 100% gigabit capability, and we have extended this capability to villages with 93.2% coverage. As a result, our gigabit coverage has reached 370 million households, with a net addition of 110 million households.

<sup>7</sup> The statistical method for counting the number of indoor 5G base stations has been adjusted from baseband units to remote radio units

## Chairman's Statement

**Ongoing leadership in CFN development.** We accelerated the structural reform of the supply side of computing force services, turning CFN from a conceptual prototype into an industry deployment and strengthening the infrastructure of our CFN. As we continued to intensify the hierarchical structure of our “4+N+31+X”<sup>8</sup> computing force, our data centers now cover all the hubs and nodes corresponding to the national “eastern data and western computing” strategy. We increased the number of IDC cabinets available for external use by 11,000 to a total of 478,000, and the number of computing force servers for deployment by more than 91,000 to a total of more than 804,000, representing total computing capacity of 9.4 EFLOPS. We have completed the world's longest 400G all-optical network transmission distance of 5,616 kilometers from Zhejiang to Guizhou. This is the most advanced computing highway in China and supports “eastern data and western computing”. The “1-5-20 milliseconds” three-tiered computing latency range reduced the average response time within our network by 22%. We gradually expanded our computing force services, including development of our proprietary CFN brain and the network-connected computing force platform. Our CFN brain was amongst the first batch to pass the autonomous CFN brain intelligence certification by the China Academy of Information and Communications Technology. Subsequently a number of network-connected computing force projects were launched, and we have integrated and managed the computing force of more than 10 enterprises. We have proactively pursued the “computing force faucets” strategy: for the mass market, we launched the “3+2+1”<sup>9</sup> product system for computing force terminals; for the government and enterprise markets, we promoted computing-network integrated products related to “eastern data and western computing”, flexible network services, intelligent computing services, network-connected computing force and more. We have had a number of breakthroughs in CFN technology, leading nearly 100 standards-setting projects at home and abroad. Our original and iconic technology “computing power routing” achieved breakthrough in the International Organization for Standardization (ISO) Internet Engineering Task Force (IETF). Building on the national CFN trial network, we collaborated with more than 30 partners and nurtured more than 40 notable projects.

**Continued to expand applications of capability middle platform.** We focused on scaling our capability middle platform for both internal and external application to realize the value of the capabilities. This effort brought good results. As of the end of June 2023, we had launched 944 capabilities. These capabilities had been deployed 40.2 billion times per month on average, representing an increase of 192.3% from that of full-year 2022. Through commercialization of the capabilities and cost-savings from deploying them internally, we generated a value of more than RMB10 billion. This has supported us in empowering cloud migration and digital transformation across society, and improved the cost-effectiveness of our operations with visible results. We continued to mine the value of big data and emphasized the application of big data throughout enterprise production and operations. In the first half of 2023, we generated big data revenue of RMB2.56 billion, or a year-on-year increase of 56.6%, showing our growing brand recognition in this area. In addition, we are proactively integrating ourselves into the national big data strategy and have streamlined data element circulation by leveraging our advantages such as data and computing force.

<sup>8</sup> 4 (hotspot regions) + N (central nodes) + 31 (provincial nodes) + X (edge nodes)

<sup>9</sup> 3 types of light terminals (cloud mobile phone, cloud computer, Mobile Cloud HD) + 2 types of heavy terminals (store computing force server, family computing force server) + 1 unified base (to enable computing force integration, management and deployment to support business operations)

## Chairman's Statement

**Significant increase in information services offering.** We have further strengthened our product portfolio and competitiveness, with a coordinated product release series beginning to take shape. In the mass market, our customer base for 7 of our products, including video connecting tones, home security services and mobile authentication services, led the industry; 16 products, including MIGU Video, cloud games and big-screen video-on demand have each exceeded 100 million customers. In the "Business" market, 5 and 12 of our products have generated annual revenue of more than RMB10 billion and more than RMB1 billion respectively. Our Mobile Cloud capability was industry leading across all platforms. We launched COCA<sup>10</sup> (our proprietary high performance computing architecture) and built *Panshi* (our big cloud bedrock computing platform enabling a full-stack of autonomous and controllable tools). Our key products, such as cloud servers, were at the forefront of the industry in terms of their core performance. Two of our Mobile Cloud products were bestowed the Red Dot Award: Brands & Communication Design. In artificial intelligence (AI), we created the *Jiutian* AI platform building on our strengths as a telecommunications operator, and offering industrial-level intelligent service capabilities ranging from algorithms and platforms to capabilities and large-scale applications. This platform has been deployed in more than 830 applications across 27 fields internally and externally. Under this platform we have launched the *Jiutian* massive computing public administration large model and the *Jiutian* customer service large model, which help to promote the digitalization and integration of various industries. In terms of terminal products, China Mobile's pan-terminal omni-channel alliance continued to expand. In the first half of 2023, sales of all terminals including handsets reached 47.13 million units, further reinforcing our influence in the industry.

## CONTINUOUS REFINEMENT OF INNOVATIVE DEVELOPMENT STRATEGY

We accelerated innovation and extended open collaboration while advancing enterprise reforms, further future-proofing our innovation capabilities.

**Strengthened technological innovation.** Building on the "Unified Five Rings"<sup>11</sup> strategy, we further implemented our innovation strategy by increasing our efforts to encourage innovation and develop talent, actively building a collaborative and open ecosystem. Our strong commitment in this area has bolstered our innovative vitality. We have maintained a leading position in the origination of innovative strategies, continuously leading in 5G-A technology and spearheading the largest number of 5G R18 standards projects amongst global telecommunications operators. We achieved breakthroughs in key technologies such as centralized orchestration and intelligent deployment of the CFN capabilities. For 6G, we formulated advance plans for 6G R&D, putting forward suggestions on 6G systemic network structure and jointly releasing more than 10 prototype technology samples. Our influence in this area has become more apparent in the international arena. We also achieved breakthroughs and advancements in critical digital-intelligent technology, attaining significant milestones in areas such as basis chips and Internet of Things (IoT) operating systems. We launched engine 2.0 for the *Heyun* network security base platform, integrating and managing 71 mainstream tools in the industry; we developed our own blockchain security engine to build the trust infrastructure drawing on our advantages as a telecommunications operator. We have further enhanced our DSSN products in preparation to develop this high potential market. Our innovative collaborative efforts have yielded significant results, and acting as a leader in the industry chain we have established partnership with more than 1,300 enterprises under our "10-10<sup>2</sup>-10<sup>3</sup>-10<sup>4</sup>" cooperation program, proactively working to break through bottlenecks and promote high-quality development of the industry chain. The 5G innovation consortium has facilitated the integration of innovative of 5G technology across diverse industries.

<sup>10</sup> Compute on Chip Architecture

<sup>11</sup> The "Unified Five Rings" refers to the technology and innovation system composed of five rings: the inner ring (major research institutes), the mid-ring (specialized companies facilitating industry-research collaboration), the outer ring (provincial companies and regional innovation institutes), the partnership ring (tertiary institutes and enterprise partners), and the overseas ring (overseas R&D institutes and international organizations)

## Chairman's Statement

**Extended open collaboration.** We strengthened strategic partnerships with local governments, public institutions and enterprises. By focusing on implementing digital technology and the digital transformation across industries, we drove cross-disciplinary collaboration in information services to support the further development of the digital economy. We supported ecosystem growth by providing venture capital in various sectors including AI, Industrial Internet, Internet and information security, and visual IoT. We have strengthened innovation cooperation by enhancing new joint R&D projects, further implementing the "Joint Innovation Plus" scheme and partnering with enterprises, tertiary and sci-tech research institutes to advance the integrated innovation of industry, academia, research and application. We have also enhanced our plans on regional and overseas innovation and further strengthened the synergy between innovation and capital, promoting the development of an innovative ecosystem. Drawing on our position as an industry leader, we strengthened collaboration within the ecosystem to proactively build a new digital-intelligent ecosystem encompassing strategic and investment partners, telecommunications industry peers, system integration vendors, Internet technology companies and participants from broader society.

**Solid progress in enterprise reforms.** We continuously extended reforms to mechanisms and systems and proactively formulated strategies to develop strategic emerging industries. We continued to implement the national technology company development program and the "Double-hundred Action". Our System Integration Company and Zijin (Jiangsu) Innovation Research Institute have been included in the expanded technology company development program initiated by The State-owned Assets Supervision and Administration Commission of the State Council. We launched an initiative to create specialized, premium, unique and new products and capabilities and the first priority teams to join this initiative have completed their selection and training, and were provided with tailored support from the Company. We have also further optimized the mechanisms of operations of our subsidiaries. In addition, we persistently enhanced our scientific management level, in which we continuously strengthened our scientific management system by ensuring the headquarters, regional companies and specialized teams each performed their respective roles in overall strategy-setting and management, driving market development, and enhancing competence. We look to implement changes to ensure coordinated product operations between provincial and specialized companies. We set the benchmark for good customer service by strengthening the customer experience-based service quality standards. We also effectively invigorated innovation and creation, appointing chief scientists and starting the second batch selection of chief experts. We strove to build a high-performing team of engineers and strengthen the talent pool of outstanding young technology talent. We tailored incentive schemes for different grades and different nature of work. We spearheaded the market-oriented reforms for certain key companies, improving the quality and coverage of our mid- to long-term incentive schemes through share options, dividends and other forms of incentives.

## Chairman's Statement

### CONTINUOUS IMPROVEMENTS IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) MANAGEMENT

We adhered to the principles of integrity, transparency, openness and efficiency to fully comply with all applicable listing rules and regulations governing listed companies to ensure sound corporate governance. We adhered to the board member diversity policy, fully leveraging the experience and expertise of the independent non-executive directors to help us further improve our corporate governance and decision-making mechanisms. We continued to implement compliance management that matches our corporate governance and business transformation. We appointed a Chief Compliance Officer and ensured the continuing improvement of our compliance management system and compliance capabilities. We enhanced our supervision over key business areas by stepping up internal controls, risk prevention and mitigation. Strength in risk detection and risk management will help safeguard the healthy and sustainable development of the Company.

We attach great importance to the sustainable development of the Company. Based on our principles of "Sincerity and Fulfillment. Self-Realization and Empowerment", we aligned our efforts with the key themes of digital-intelligent innovation, inclusive growth, green development and outstanding governance. By leveraging our expertise, we are committed to empowering the development of economy, society and environment, while concurrently contributing to causes such as advancing new information services, building a bright digital-intelligent future, supporting coordinated regional development, revitalizing villages, practising green and low-carbon operations, and taking part in charitable work and emergency and disaster relief missions. Our efforts have been recognized by the wider community. In addition, we emphasize developing talent and providing favorable conditions and environment for outstanding talent to develop. We care for our employees and are devoted to supporting them as they grow with our Company.

### FUTURE OUTLOOK

The rapid development and continued integration of next-generation information technologies, such as 5G, cloud computing, big data and AI, are leading to new trends of systematic innovation and becoming increasingly integrated into all aspects of the economy, society, and everyday life, leading to the emergence of new industries and models such as autonomous driving, unmanned factories, and metaverse. The new wave of technological innovation has created more opportunities for industry development, but also put higher demands on the transformation of traditional business models. The integration of CT, IT and DT technologies, the integration of connectivity, computing force and capability in services, and the integration of new-generation information technology with production, livelihood and governance in applications are accelerating. These three integrations have quickened their pace and presented valuable opportunities for us to expand our information services. In the meantime, the macroeconomic environment is facing new challenges with a complex and rapidly changing business landscape. A lack of overall demand, operating difficulties, and intense competition from multiple entities are posing challenges for certain enterprises. We also face certain uncertainties in our transformation and future development.

## Chairman's Statement

Faced with a new business environment and new opportunities, we will fully, accurately and comprehensively align with new principles to ensure we contribute to the new development paradigm. We will firmly adhere to and creatively implement our "1-2-2-5"<sup>12</sup> strategy with precision. We will accelerate the construction of a new growth model driven by innovation and establish a world-class "Powerhouse" to a high standard, breaking new ground as we become a world-class information services and sci-tech innovation enterprise. By doing so, we will continue to bring more value to our shareholders and customers.

## ACKNOWLEDGEMENT

Finally, on behalf of the Board, I would like to take this opportunity to express my heartfelt gratitude for the support of our shareholders, customers and the public, and for the dedication and contribution of our employees.



**Yang Jie**  
*Chairman*

Hong Kong, 10 August 2023

<sup>12</sup> Anchoring ourselves to the "one position" of a world-class information services and sci-tech innovation enterprise; speeding up the "two changes", which are the shift from quantitative leadership based on scale to qualitative leadership with a focus on improving effectiveness and efficiency, and the shift from delivering business results in the short-to-mid-term to achieving value growth in the mid-to-long-term. We will collectively foster the "two new elements": systematically building a new information infrastructure centering 5G, CFN and capability middle platform, and developing a new information service system of connectivity, computing force and capability. We will proactively unleash the "five benefits" through innovation, customer recognition, reforms, talent and ecosystem

## Unaudited Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2023 (Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June	
		2023 Million	2022 Million
<b>Operating revenue</b>	5		
Revenue from telecommunications services		452,238	426,417
Revenue from sales of products and others		78,481	70,517
		<b>530,719</b>	496,934
<b>Operating expenses</b>			
Network operation and support expenses	6	143,526	138,194
Depreciation and amortization		103,170	99,464
Employee benefit and related expenses		70,433	63,934
Selling expenses		26,835	26,182
Cost of products sold		77,332	68,900
Other operating expenses	7	29,136	25,812
		<b>450,432</b>	422,486
<b>Profit from operations</b>		<b>80,287</b>	74,448
<b>Other gains</b>		<b>4,003</b>	3,076
<b>Interest and other income</b>	8	<b>11,373</b>	8,859
<b>Finance costs</b>		<b>(1,938)</b>	(1,229)
<b>Income from investments accounted for using the equity method</b>		<b>4,953</b>	6,195
<b>Profit before taxation</b>		<b>98,678</b>	91,349
<b>Taxation</b>	9	<b>(22,439)</b>	(21,012)
<b>PROFIT FOR THE PERIOD</b>		<b>76,239</b>	70,337
<b>Other comprehensive income for the period, net of tax:</b>			
<b>Items that will not be subsequently reclassified to profit or loss</b>			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		(7)	(160)
Share of other comprehensive loss of investments accounted for using the equity method		(93)	(3)
<b>Items that may be subsequently reclassified to profit or loss</b>			
Currency translation differences		1,219	1,211
Share of other comprehensive income/(loss) of investments accounted for using the equity method		534	(386)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>77,892</b>	70,999

## Unaudited Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2023 (Expressed in Renminbi (“RMB”))

	Note	Six months ended 30 June	
		2023 Million	2022 Million
<b>Profit attributable to:</b>			
Equity shareholders of the Company		<b>76,173</b>	70,275
Non-controlling interests		<b>66</b>	62
<b>PROFIT FOR THE PERIOD</b>		<b>76,239</b>	70,337
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		<b>77,826</b>	70,937
Non-controlling interests		<b>66</b>	62
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>77,892</b>	70,999
<b>Earnings per share – Basic</b>	11(a)	<b>RMB3.56</b>	RMB3.29
<b>Earnings per share – Diluted</b>	11(b)	<b>RMB3.56</b>	RMB3.29

The notes on pages 23 to 41 are an integral part of this interim financial information.

## Unaudited Condensed Consolidated Balance Sheet

as at 30 June 2023 (Expressed in RMB)

	Note	As at 30 June 2023 Million	As at 31 December 2022 Million
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	705,974	741,029
Construction in progress	12	102,257	73,087
Right-of-use assets		102,314	108,749
Land use rights		15,087	15,244
Goodwill		35,301	35,301
Other intangible assets		7,143	8,691
Investments accounted for using the equity method	13	178,194	175,649
Deferred tax assets		45,379	43,638
Financial assets measured at fair value through other comprehensive income	14	509	490
Financial assets measured at fair value through profit or loss	14	186,565	187,130
Other financial assets measured at amortized cost	16	12,153	9,716
Bank deposits		53,459	45,887
Other non-current assets		37,760	34,556
		<b>1,482,095</b>	1,479,167
<b>Current assets</b>			
Inventories		12,977	11,696
Contract assets		14,585	13,657
Accounts receivable	15	68,564	40,245
Other receivables		14,164	12,838
Amount due from ultimate holding company	20(a)	2,910	2,537
Prepayments and other current assets		26,338	26,257
Prepaid income tax		819	1,055
Other financial assets measured at amortized cost	16	14,383	16,300
Financial assets measured at fair value through profit or loss	14	126,778	108,303
Bank deposits		23,055	56,377
Cash and cash equivalents		204,928	167,106
		<b>509,501</b>	456,371
<b>Total assets</b>		<b>1,991,596</b>	1,935,538

## Unaudited Condensed Consolidated Balance Sheet

as at 30 June 2023 (Expressed in RMB)

	Note	As at 30 June 2023 Million	As at 31 December 2022 Million
<b>Equity and liabilities</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	17	170,341	156,536
Bills payable		12,404	14,759
Contract liabilities		54,631	75,255
Accrued expenses and other payables		258,182	225,576
Amount due to ultimate holding company	20(a)	11,996	20,136
Income tax payable		15,066	10,156
Lease liabilities		35,290	30,919
		<b>557,910</b>	533,337
<b>Non-current liabilities</b>			
Lease liabilities – non-current		77,038	81,741
Deferred revenue		8,848	8,810
Deferred tax liabilities		2,906	2,571
Other non-current liabilities		8,009	7,656
		<b>96,801</b>	100,778
<b>Total liabilities</b>		<b>654,711</b>	634,115
<b>Equity</b>			
Share capital	19	454,113	453,504
Reserves		878,655	843,844
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,332,768</b>	1,297,348
<b>Non-controlling interests</b>		<b>4,117</b>	4,075
<b>Total equity</b>		<b>1,336,885</b>	1,301,423
<b>Total equity and liabilities</b>		<b>1,991,596</b>	1,935,538

The notes on pages 23 to 41 are an integral part of this interim financial information.

## Unaudited Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023 (Expressed in RMB)

	Attributable to equity shareholders of the Company								Total equity Million
	Share capital Million	Capital reserve Million	Exchange reserve Million	PRC Statutory reserves Million	Other reserves Million	Retained profits Million	Total Million	Non-controlling interests Million	
<b>As at 1 January 2022</b>	402,130	(264,455)	(1,080)	347,373	3,670	718,712	1,206,350	3,942	1,210,292
<b>Changes in equity for the six months ended 30 June 2022:</b>									
Profit for the period	-	-	-	-	-	70,275	70,275	62	70,337
Changes in the fair value of financial assets measured at fair value through other comprehensive income	-	-	-	-	(160)	-	(160)	-	(160)
Currency translation differences	-	-	1,211	-	-	-	1,211	-	1,211
Share of other comprehensive loss of investments accounted for using the equity method	-	-	-	-	(389)	-	(389)	-	(389)
<b>Total comprehensive income for the period</b>	-	-	1,211	-	(549)	70,275	70,937	62	70,999
Dividends paid during the period (note 10(b))	-	-	-	-	-	(44,594)	(44,594)	(22)	(44,616)
Issuance of RMB Shares and exercise of over-allotment	51,374	-	-	-	-	-	51,374	-	51,374
Purchase of own shares	-	-	-	-	-	(707)	(707)	-	(707)
Share option scheme									
- Value of share options (note 18)	-	146	-	-	-	-	146	-	146
Changes in the share of other reserves of investments accounted for using the equity method	-	(98)	-	-	-	-	(98)	-	(98)
Others	-	28	-	-	12	18	58	-	58
<b>As at 30 June 2022</b>	453,504	(264,379)	131	347,373	3,133	743,704	1,283,466	3,982	1,287,448

## Unaudited Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023 (Expressed in RMB)

	Attributable to equity shareholders of the Company								
	Share capital Million	Capital reserve Million	Exchange reserve Million	PRC Statutory reserves Million	Other reserves Million	Retained profits Million	Total Million	Non-controlling interests Million	Total equity Million
<b>As at 1 January 2023</b>	453,504	(264,035)	1,495	355,463	2,366	748,555	1,297,348	4,075	1,301,423
<b>Changes in equity for the six months ended 30 June 2023:</b>									
Profit for the period	-	-	-	-	-	76,173	76,173	66	76,239
Changes in the fair value of financial assets measured at fair value through other comprehensive income	-	-	-	-	(7)	-	(7)	-	(7)
Currency translation differences	-	-	1,219	-	-	-	1,219	-	1,219
Share of other comprehensive income of investments accounted for using the equity method	-	-	-	-	441	-	441	-	441
Total comprehensive income for the period	-	-	1,219	-	434	76,173	77,826	66	77,892
Dividends paid during the period (note 10(b))	-	-	-	-	-	(43,414)	(43,414)	(24)	(43,438)
Exercise of share options	609	(43)	-	-	-	-	566	-	566
Share option scheme									
– Value of share options (note 18)	-	392	-	-	-	-	392	-	392
Changes in the share of other reserves of investments accounted for using the equity method	-	(3)	-	-	-	-	(3)	-	(3)
Others	-	29	-	-	24	-	53	-	53
<b>As at 30 June 2023</b>	454,113	(263,660)	2,714	355,463	2,824	781,314	1,332,768	4,117	1,336,885

The notes on pages 23 to 41 are an integral part of this interim financial information.

## Unaudited Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2023 (Expressed in RMB)

		Six months ended 30 June	
	Note	2023 Million	2022 Million
<b>Operating activities</b>			
Profit before taxation		98,678	91,349
Adjustments for:			
– Depreciation and amortization		103,170	99,464
– Interest and other income	8	(11,373)	(8,859)
– Finance costs		1,938	1,229
– Income from investments accounted for using the equity method		(4,953)	(6,195)
– Others		8,167	5,808
<b>Operating cash flows before changes in working capital</b>		<b>195,627</b>	182,796
<b>Changes in working capital</b>			
– Increase in inventories		(1,519)	(6,243)
– Increase in contract assets		(2,027)	(3,801)
– Increase in accounts receivable		(35,919)	(31,263)
– Increase in accounts payable		11,613	5,790
– Increase in accrued expenses and other payables		32,619	32,664
– Decrease in contract liabilities		(20,624)	(19,741)
– Changes in other working capital		(468)	11,340
<b>Cash generated from operations</b>		<b>179,302</b>	171,542
Tax paid			
– The mainland of China and other countries and regions' enterprise income tax paid		(18,403)	(24,170)
– Hong Kong profits tax paid		(374)	(100)
<b>Net cash generated from operating activities</b>		<b>160,525</b>	147,272

## Unaudited Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2023 (Expressed in RMB)

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>Million</b>	Million
<b>Investing activities</b>		
Payment for property, plant and equipment	<b>(77,115)</b>	(88,289)
Payment for other intangible assets	<b>(2,531)</b>	(1,433)
Proceeds from disposal and write-off of property, plant and equipment	<b>271</b>	355
Decrease in bank deposits	<b>25,581</b>	10,758
Increase in other financial assets measured at amortized cost (including non-current portion)	<b>(330)</b>	(57)
Interest and other finance income received	<b>4,122</b>	6,465
Proceeds from partial disposal of investments accounted for using the equity method	<b>1,593</b>	–
Purchase of investments accounted for using the equity method	<b>(1,972)</b>	–
Dividends received from investments accounted for using the equity method	<b>1,674</b>	1,512
Purchase of financial assets measured at fair value through profit or loss	<b>(17,101)</b>	(51,000)
Proceeds from disposal of financial assets measured at fair value through profit or loss	<b>6,568</b>	47,601
Purchase of financial assets measured at fair value through other comprehensive income	<b>(15)</b>	–
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	<b>–</b>	22
<b>Net cash used in investing activities</b>	<b>(59,255)</b>	(74,066)

**Unaudited Condensed Consolidated Statement of Cash Flows**

for the six months ended 30 June 2023 (Expressed in RMB)

		<b>Six months ended 30 June</b>	
	Note	<b>2023</b>	2022
		<b>Million</b>	Million
<b>Financing activities</b>			
Proceeds received from exercise of over-allotment of RMB Shares		–	3,286
Proceeds received from exercise of share options		<b>566</b>	–
Dividends paid to the Company's equity shareholders		<b>(43,414)</b>	(44,594)
Interest paid in relation to short-term deposits placed by CMCC Group		<b>(23)</b>	(41)
Net (payment)/receipts of short-term deposits placed by CMCC Group	20(a)	<b>(10,593)</b>	10,286
Repayment of principal and interest of lease liabilities		<b>(10,261)</b>	(13,156)
Payment for purchase of own shares		–	(707)
Others		<b>(41)</b>	(82)
<b>Net cash used in financing activities</b>		<b>(63,766)</b>	(45,008)
<b>Net increase in cash and cash equivalents</b>		<b>37,504</b>	28,198
<b>Cash and cash equivalents, beginning of period</b>		<b>167,106</b>	243,943
<b>Effect of changes in foreign exchange rate</b>		<b>318</b>	209
<b>Cash and cash equivalents, end of period</b>		<b>204,928</b>	272,350

The notes on pages 23 to 41 are an integral part of this interim financial information.

# Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

## 1 GENERAL INFORMATION

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

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

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

## 2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2023 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim financial reporting”, issued by the International Accounting Standards Board (“IASB”), and Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting”, issued by HKICPA, which are consistent, and the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on HKEX.

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

The unaudited condensed consolidated interim financial information should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2022. The Group’s policies on financial risk management were set out in the financial statements included in the Company’s 2022 Annual Report and there have been no significant changes in these policies for the six months ended 30 June 2023.

No events and transactions that are significant to the changes in financial position and performance of the Group since the release of the annual financial statements for the year ended 31 December 2022 should be included in the Group’s unaudited condensed consolidated interim financial information. The unaudited condensed consolidated interim financial information does not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) or Hong Kong Financial Reporting Standards (“HKFRSs”).

The unaudited condensed consolidated interim financial information was approved by the board of directors of the Company for issuance on 10 August 2023.

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 2 BASIS OF PREPARATION (CONTINUED)

The Group's condensed consolidated interim financial information is unaudited, but has been reviewed by the Company's Audit Committee. The condensed consolidated interim financial information has also been reviewed by the Company's independent auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). KPMG's unmodified independent review report to the board of directors is included on page 42 of this interim report.

The financial information relating to the year ended 31 December 2022, that is included in the unaudited condensed consolidated interim financial information for the six months ended 30 June 2023 as comparative information, does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

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

### 3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2022.

The following new and amended IFRSs/HKFRSs are mandatory for the first time for the Group's financial year beginning on 1 January 2023 and are applicable for the Group:

- IFRS/HKFRS 17, Insurance contracts
- Amendments to IAS/HKAS 8, Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates
- Amendments to IAS/HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS/HKAS 12, Income taxes: International tax reform – Pillar Two model rules

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

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

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 4 SEGMENT REPORTING

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

### 5 OPERATING REVENUE

	Six months ended 30 June	
	2023 Million	2022 Million
<b>Revenue from telecommunications services</b>		
Voice services	37,919	38,706
SMS & MMS services	16,152	16,278
Wireless data traffic services	211,780	208,192
Wireline broadband services	58,065	54,168
Applications and information services	116,358	97,988
Others	11,964	11,085
	<b>452,238</b>	426,417
<b>Revenue from sales of products and others</b>	<b>78,481</b>	70,517
	<b>530,719</b>	496,934

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

### 6 NETWORK OPERATION AND SUPPORT EXPENSES

	Note	Six months ended 30 June	
		2023 Million	2022 Million
Maintenance, operation support and related expenses		94,502	87,141
Power and utilities expenses		21,191	25,202
Charges for use of tower assets	(i)	12,821	13,512
Charges for use of lines and network assets and other assets	(ii)	10,269	7,407
Others		4,743	4,932
		<b>143,526</b>	138,194

Note:

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

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 7 OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2023 Million	2022 Million
Interconnection	11,340	10,676
Expected credit impairment losses	7,501	5,223
Net loss on disposal and write-off of property, plant and equipment	169	233
Co-research and development expenses	2,234	2,369
Taxes and surcharges	1,474	1,464
Others	6,418	5,847
	<b>29,136</b>	25,812

### 8 INTEREST AND OTHER INCOME

	Six months ended 30 June	
	2023 Million	2022 Million
Interest income	3,836	5,543
Net gains on hold/disposal of financial assets	7,537	3,316
	<b>11,373</b>	8,859

### 9 TAXATION

	Note	Six months ended 30 June	
		2023 Million	2022 Million
<b>Current tax</b>			
Provision for enterprise income tax in the mainland of China and other countries and regions on the estimated assessable profits for the period	(i)	23,588	22,840
Provision for Hong Kong profits tax on the estimated assessable profits for the period	(ii)	335	280
		<b>23,923</b>	23,120
<b>Deferred tax</b>			
Origination and reversal of temporary differences, net		(1,484)	(2,108)
		<b>22,439</b>	21,012

Note:

- (i) The provision for enterprise income tax in the mainland of China and other countries and regions has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the regions in which the Group operates. The Company's subsidiaries operate mainly in the mainland of China. The provision for the PRC enterprise income tax is based on the statutory tax rate of 25% (for the six months ended 30 June 2022: 25%) on the estimated assessable profits determined in accordance with the relevant income tax rules and regulations of the PRC for the six months ended 30 June 2023. Certain subsidiaries of the Company entitle to the preferential tax rate of 15% (for the six months ended 30 June 2022: 15%), and certain research and development costs of the Company's PRC subsidiaries are qualified for 100% (for the six months ended 30 June 2022: 75%) additional deduction for tax purpose.
- (ii) The provision for Hong Kong profits tax is calculated at 16.5% (for the six months ended 30 June 2022: 16.5%) of the estimated assessable profits for the six months ended 30 June 2023.
- (iii) Pursuant to the "Notice regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management" issued by SAT in 2009 ("2009 Notice"), the Company is qualified as a PRC offshore-registered resident enterprise. Accordingly, the dividend income of the Company from its subsidiaries in the PRC is exempted from PRC enterprise income tax.

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 10 DIVIDENDS

#### (a) Dividends attributable to the period

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>Million</b>	Million
Ordinary interim dividend declared after the balance sheet date of HK\$2.430 (equivalent to approximately RMB2.240) (2022: HK\$2.200 (equivalent to approximately RMB1.881)) per share	<b>47,887</b>	40,192

As the proposed ordinary interim dividend in Hong Kong dollar was declared after the balance sheet date, such dividend is not recognized as liability as at 30 June 2023. In case of any change in the total number of issued shares of the Company between the date of approval for these financial statements and the record date for the implementation of the 2023 interim dividend, the Company intends to keep the amount of dividend per share unchanged and adjust the total amount of profit distribution accordingly.

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

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>Million</b>	Million
Ordinary final dividend in respect of the previous financial year, approved and paid during the period, of HK\$2.210 (equivalent to approximately RMB1.974) (2022: HK\$2.430 (equivalent to approximately RMB1.987)) per share	<b>43,414</b>	44,594

The proposed/approved ordinary interim dividend/ordinary final dividend per share, which is declared in Hong Kong dollar, is translated into RMB for disclosure with reference to the exchange rate announced by the State Administration of Foreign Exchange in the PRC on 30 June 2023 and 30 December 2022 (2022: 30 June 2022 and 31 December 2021), respectively.

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

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 11 EARNINGS PER SHARE

#### (a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2023 is based on the profit attributable to equity shareholders of the Company of RMB76,173 million (for the six months ended 30 June 2022: RMB70,275 million) and the weighted average number of 21,368,063,583 shares in issue during the period (for the six months ended 30 June 2022: 21,335,565,066 shares).

#### (b) Diluted earnings per share

For the six months ended 30 June 2023 and 2022, the Group has considered the impact from the following factors when calculating diluted earnings per share:

- (i) Convertible bonds issued by an associate of the Group ("CB") that were outstanding during the periods (note 14);
- (ii) Share options issued by the Company that were outstanding during the periods (note 18);
- (iii) The RMB Shares publicly offered but had yet to be listed on the SHEX during the preceding period; and
- (iv) The over-allotment option that was outstanding during the preceding period.

Of the above, the first two factors had dilutive effects for the six months ended 30 June 2023 but not 2022. In particular, (i) the assumed conversion of the CB would have decreased the profit attributable to equity shareholders of the Company (for the six months ended 30 June 2022: increased), and (ii) to the extent that the performance conditions would have been satisfied if the end of the period were the end of the performance period, the exercise price of the relevant share options were below the average market price of the Company's ordinary shares on the HKEX during the period those share options were outstanding (for the six months ended 30 June 2022: above).

The third factor had no dilutive effect during the preceding period, as (iii) the offer price of the RMB Shares was not lower than its fair value during the period from the beginning of the preceding period to the completion date of the listing on the SHEX.

The fourth factor had a dilutive effect during the preceding period, as (iv) the exercise price of the over-allotment option was lower than the average market price of the RMB Shares during the exercisable period.

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 11 EARNINGS PER SHARE (CONTINUED)

#### (b) Diluted earnings per share (Continued)

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

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

As the dilutive effects on earnings per share resulting from the assumed conversion of the CB and the deemed issue of shares under the Company's share options scheme were negligible, therefore diluted earnings per share were the same as basic earnings per share.

For the six months ended 30 June 2022, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB70,275 million and the weighted average number of 21,335,665,605 shares after adjusting for the effect of all dilutive potential ordinary shares during the period. As the dilutive effect on earnings per share resulting from the assumed exercise of over-allotment option was negligible, therefore diluted earnings per share were the same as basic earnings per share.

### 12 PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

For the six months ended 30 June 2023, the Group acquired items of property, plant and equipment and construction in progress with an aggregate cost of RMB80,536 million (for the six months ended 30 June 2022: RMB91,576 million) and the depreciation of property, plant and equipment recognized in unaudited condensed consolidated statement of comprehensive income was RMB85,623 million (for the six months ended 30 June 2022: RMB82,190 million).

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 13 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

The amounts recognized in the unaudited condensed consolidated balance sheet are as follows:

	<b>As at 30 June 2023 Million</b>	As at 31 December 2022 Million
Associates	<b>177,466</b>	174,955
Joint ventures	<b>728</b>	694
	<b>178,194</b>	175,649

#### (a) Major associates

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

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

The Group's effective interest holding in True Corporation Public Company Limited ("True Corporation") has reduced from 18% to 8% following the investee's corporate amalgamation and disposal of certain shares by the Group during the six months ended 30 June 2023. Since then, True Corporation is no longer considered as a major associate of the Group.

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

	<b>As at 30 June 2023</b>		As at 31 December 2022	
	<b>Carrying amount Million</b>	<b>Fair value Million</b>	Carrying amount Million	Fair value Million
SPD Bank	<b>115,473</b>	<b>38,625</b>	113,017	38,838
China Tower	<b>52,747</b>	<b>39,425</b>	52,762	36,880

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

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

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

- (ii) The Group assesses at the end of each reporting period whether there is objective evidence that interests in associates and joint ventures are impaired.

As at 30 June 2023, the fair value of investment in SPD Bank was RMB38,625 million (as at 31 December 2022: RMB38,838 million) based on its quoted market price, which was below its carrying amount by 66.6% (as at 31 December 2022: 65.6%). The management of the Group performed an impairment assessment and determined the recoverable amount of the investment based on its VIU. The calculation has considered pre-tax cash flow projections of SPD Bank for a five-year forecast with an extrapolation made to perpetuity. The discount rate used to discount the cash flows to their respective net present values was based on cost of capital used to evaluate investments of similar nature in the mainland of China. Management judgement is required in estimating the future cash flows of SPD Bank. The key assumptions are determined with reference to external sources of information. Based on the management's assessment result, there was no impairment of the investment as at 30 June 2023.

As at 30 June 2023, the fair value of investment in China Tower was RMB39,425 million (as at 31 December 2022: RMB36,880 million) based on its quoted market price, which was below its carrying amount by 25.3% (as at 31 December 2022: 30.1%). Based on the management's assessment result, there was no impairment of the investment as at 30 June 2023.

As at 30 June 2023 and 31 December 2022, there was no impairment indicator of the Group's interests in other associates or joint ventures.

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

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

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

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

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

The following table presents the Group's assets that are measured at fair value at 30 June 2023:

	Level 1 Million	Level 2 Million	Level 3 Million	Total Million
Financial assets measured at FVPL				
Wealth management products ("WMPs")	–	–	198,914	198,914
Asset management plans	–	–	50,783	50,783
Bond funds and monetary funds	52,038	–	–	52,038
CB	9,821	–	–	9,821
Equity investments and others	346	–	1,441	1,787
Financial assets measured at FVOCI	368	–	141	509
<b>Total</b>	<b>62,573</b>	<b>–</b>	<b>251,279</b>	<b>313,852</b>

The following table presents the Group's assets that are measured at fair value at 31 December 2022:

	Level 1 Million	Level 2 Million	Level 3 Million	Total Million
Financial assets measured at FVPL				
Wealth management products ("WMPs")	–	–	184,912	184,912
Asset management plans	–	–	50,011	50,011
Bond funds and monetary funds	48,816	–	–	48,816
CB	9,532	–	–	9,532
Equity investments and others	931	–	1,231	2,162
Financial assets measured at FVOCI	364	–	126	490
<b>Total</b>	<b>59,643</b>	<b>–</b>	<b>236,280</b>	<b>295,923</b>

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

For the six months ended 30 June 2023 and 2022, the Group did not convert any CB into SPD Bank's common stock.

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

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

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

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

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

	As at 31 December 2022 Million	Purchase Million	Disposal Million	Recognized in profit or loss Million	Recognized in other comprehensive income Million	As at 30 June 2023 Million
Financial assets measured at FVOCI	126	15	-	-	-	141
Financial assets measured at FVPL	236,154	13,000	(3,293)	5,277	-	251,138
	236,280	13,015	(3,293)	5,277	-	251,279

#### (d) Transfers between Levels

There were no transfers between the levels of fair value hierarchy for the six months ended 30 June 2023 and 2022.

### 15 ACCOUNTS RECEIVABLE

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

	As at 30 June 2023 Million	As at 31 December 2022 Million
<b>Base on invoice date:</b>		
Within 30 days	20,423	14,580
31 – 60 days	6,223	4,197
61 – 90 days	7,116	3,658
91 days – 1 year	29,558	15,033
Over 1 year	5,244	2,777
	68,564	40,245

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

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 16 OTHER FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	As at 30 June 2023			As at 31 December 2022		
	Non-current assets Million	Current assets Million	Total Million	Non-current assets Million	Current assets Million	Total Million
Other financial assets measured at amortized cost						
– PRC treasury bonds	11,768	–	11,768	9,331	–	9,331
– Other debt instrument investments	385	14,383	14,768	385	16,300	16,685
	12,153	14,383	26,536	9,716	16,300	26,016

As at 30 June 2023, the aggregated principal of PRC treasury bonds amounted to RMB11,500 million (as at 31 December 2022: RMB9,000 million), which will mature in 2052 and bear interest at a fixed rate of 3.12%-3.32% per annum (as at 31 December 2022: 3.32% per annum).

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

### 17 ACCOUNTS PAYABLE

Accounts payable primarily include payables for expenditure of network expansion, maintenance and support expenses and interconnection expenses, etc.

The aging analysis of accounts payable is as follows:

	As at 30 June 2023 Million	As at 31 December 2022 Million
<b>Base on invoice date:</b>		
Within 180 days	99,196	93,269
181 days – 1 year	36,710	26,253
Over 1 year	34,435	37,014
	170,341	156,536

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

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 18 SHARE-BASED PAYMENT

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

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

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

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

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

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

For the six months ended 30 June 2023, share options compensation expenses recorded in profit or loss amounted to RMB392 million (for the six months ended 30 June 2022: RMB146 million).

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 18 SHARE-BASED PAYMENT (CONTINUED)

#### (a) Movements in share options

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

	Share option scheme Average exercise price	Numbers of options
As at 1 January 2022	HK\$55.00	302,096,876
Forfeited	HK\$55.00	(18,897,600)
As at 30 June 2022	HK\$55.00	283,199,276
Vested and exercisable as at 30 June 2022	HK\$55.00	104,167,642
As at 1 January 2023	HK\$52.67	887,599,718
Exercised	HK\$55.00	(11,594,026)
Forfeited	HK\$54.78	(16,403,873)
As at 30 June 2023	HK\$52.60	859,601,819
Vested and exercisable as at 30 June 2023	HK\$55.00	166,515,356

The weighted average share price at the date of exercise for share options exercised during the period was HK\$64.78 (for the six months ended 30 June 2022: not applicable).

#### (b) Share options outstanding

Details of the expiry dates, exercise prices and the respective numbers of share options which remained outstanding as at 30 June 2023 and 31 December 2022 are as follows:

Grant Date	Normal exercise period	Exercise price	No. of shares involved in the options outstanding as at 30 June 2023	No. of shares involved in the options outstanding as at 31 December 2022
12 June 2020	12 June 2022-12 June 2030	HK\$55.00	91,047,592	101,069,905
12 June 2020	12 June 2023-12 June 2030	HK\$55.00	75,467,764	89,515,817
12 June 2020	12 June 2024-12 June 2030	HK\$55.00	86,648,953	89,515,817
19 September 2022	19 September 2024-19 September 2032	HK\$51.60	242,575,004	242,999,271
19 September 2022	19 September 2025-19 September 2032	HK\$51.60	181,931,253	182,249,454
19 September 2022	19 September 2026-19 September 2032	HK\$51.60	181,931,253	182,249,454

The options outstanding as at 30 June 2023 had a weighted average remaining contractual life of 8.5 years (as at 31 December 2022: 9.0 years).

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 18 SHARE-BASED PAYMENT (CONTINUED)

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

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

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

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

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

### 19 SHARE CAPITAL

	Note	Number of shares	RMB Million
Ordinary shares, issued and fully paid:			
As at 31 December 2022		21,362,826,764	453,504
Exercise of share options	18	11,594,026	609
As at 30 June 2023		21,374,420,790	454,113
Of which: Shares listed on the HKEX		20,471,652,923	
Shares listed on the SHEX		902,767,867	

Note: The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 20 RELATED PARTY TRANSACTIONS

#### (a) Transactions with CMCC Group

The following is a summary of principal related party transactions entered into by the Group with CMCC and its subsidiaries excluding the Group ("CMCC Group") for the six months ended 30 June 2023 and 2022. The majority of these transactions also constitute continuing connected transactions as defined under Chapter 14A of the Listing Rules.

	Note	Six months ended 30 June	
		2023 Million	2022 Million
Revenue from telecommunications facilities construction services	(i)	771	701
Revenue from comprehensive support services	(ii)	167	179
Technical support services charges	(iii)	152	191
Additions of right-of-use assets	(iv)	2,009	8,428
Related costs for lease of network assets and property	(iv)	5,946	4,073
Interest expenses	(v)	21	39
Net (repayment)/receipts of short-term deposits	(v)	(10,593)	10,286

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

	As at 30 June 2023 Million	As at 31 December 2022 Million
Accounts receivable	155	289
Other receivables	5	2
Prepayments and other current assets	33	1
Amount due from ultimate holding company	2,910	2,537
Right-of-use assets	6,916	6,818
Lease liabilities	8,151	7,467
Accounts payable	2,239	2,196
Accrued expenses and other payables	1,449	1,694
Amount due to ultimate holding company	11,996	20,136

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

Note:

- (i) The Group provides telecommunications facilities construction services to CMCC Group for the telecommunications project planning, design, construction, maintenance and other services.
- (ii) The Group provides comprehensive management, support and other services to CMCC Group.
- (iii) The Group purchases technical support and other services from CMCC Group.
- (iv) The amounts primarily represent the additions of right-of-use assets/the charges to CMCC Group for the lease of machinery rooms and transmission pipelines, power support and other network assets and resources, offices and retail outlets. Related costs for lease of network assets and property include the depreciation of right-of-use assets, finance costs associated with the lease liabilities and other service charges.
- (v) The amounts represent the bank deposits received from or repaid to CMCC Group and related interest expenses. The interest rate of short-term bank deposits is negotiated based on the benchmark interest rate published by the People's Bank of China ("PBOC").

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 20 RELATED PARTY TRANSACTIONS (CONTINUED)

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

The following is a summary of principal related party transactions entered into by the Group with the associates and joint ventures of the Group for the six months ended 30 June 2023 and 2022, the terms of which are fair and reasonable.

	Note	Six months ended 30 June	
		2023 Million	2022 Million
Revenue from telecommunications services	(i)	614	699
Telecommunications services charges	(i)	52	54
Technical support services charges	(ii)	2,046	1,883
Property leasing and management services revenue	(iii)	22	23
Dividend received		1,674	1,512
Related costs for use of tower assets	(iv)	20,889	21,264
Additions of right-of-use assets	(iv)	1,932	1,976
Increase in cash, cash equivalents and bank deposits	(v)	7,523	5,778
Decrease in other financial assets measured at amortized cost	(vi)	(200)	(1,150)
Disposal of financial assets measured at FVPL	(vii)	3,248	7,498
Interest and other income	(viii)	1,452	1,411

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

	As at 30 June 2023 Million	As at 31 December 2022 Million
Accounts receivable	374	278
Right-of-use assets	61,759	67,776
Other receivables	189	252
Cash, cash equivalents and bank deposits	62,689	56,052
Other financial assets measured at amortized cost	–	201
Financial assets measured at FVPL	29,619	32,185
Prepayments and other current assets	6	3
Lease liabilities	69,385	70,599
Accounts payable	3,968	4,056
Bills payable	2,972	5,026
Accrued expenses and other payables	19,583	11,334

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 20 RELATED PARTY TRANSACTIONS (CONTINUED)

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

Note:

- (i) The Group provides/purchases telecommunications services to/from Group's associates and joint ventures for the telecommunications project planning, design and construction services and telecommunications services.
- (ii) The Group purchases technical support and other services from the Group's associates.
- (iii) The Group provides property leasing and management service to China Tower and other associates.
- (iv) The amounts primarily represent the related costs for tower assets leasing and other service charges. For the six months ended 30 June 2023, related costs for use of tower assets include the depreciation of right-of-use assets amounting to RMB6,905 million (For the six months ended 30 June 2022: RMB7,395 million), charges for use of tower assets and finance costs associated with the lease liabilities amounting to RMB13,736 million (For the six months ended 30 June 2022: RMB13,733 million), other service charges amounting to RMB248 million (For the six months ended 30 June 2022: RMB136 million).
- (v) The amounts represent the deposits placed with SPD Bank, the interest rate of which is negotiated based on the benchmark interest rate published by the People's Bank of China ("PBOC").
- (vi) The amounts represent the debt instrument investments placed with SPD Bank. The related interest rates are mutually agreed among both parties with reference to the market interest rates.
- (vii) The amounts represent the WMPs purchased from SPD Bank. The return rates of WMPs are determined with reference to market conditions.
- (viii) The amounts primarily represent interest income from the deposits placed with SPD Bank and debt instrument investments placed with SPD Bank, and the income derived from WMPs purchased from SPD Bank and the CB publicly issued by SPD Bank.

#### (c) Transactions with major associates of CMCC Group

The following is a summary of principal related party transactions entered into by the Group with the major associates of the CMCC Group for the six months ended 30 June 2023 and 2022, the terms of which are fair and reasonable.

		<b>Six months ended 30 June</b>	
	Note	<b>2023</b>	2022
		<b>Million</b>	Million
Increase in cash, cash equivalents and bank deposits	(i)	<b>576</b>	–
Interest and other income	(ii)	<b>760</b>	–

The outstanding balances related to transactions with the major associates of the CMCC Group are included in the following accounts captions summarized as follows:

	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2023</b>	2022
	<b>Million</b>	Million
Cash, cash equivalents and bank deposits	<b>3,250</b>	–
Financial assets measured at FVPL	<b>33,164</b>	–

- (i) The amounts represent the deposits placed with Postal Savings Bank of China ("PSBC"), the interest rate of which is negotiated based on the benchmark interest rate published by PBOC.
- (ii) The amounts primarily represent income derived from WMPs purchased from PSBC.

## Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

### 20 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (d) Transactions with other government-related entities in the PRC

The Group is a government-related enterprise and operates in an economic regime currently dominated by entities directly or indirectly controlled by the PRC government through government authorities, agencies, affiliations and other organization (collectively referred to as "government-related entities").

Apart from transactions with CMCC Group (note 20(a)), associates and joint ventures (note 20(b)) and the associates of CMCC Group (note 20(c)) with other government-related entities which include but not limited to the following:

- rendering and receiving telecommunications services, including interconnection revenue/charges
- sharing certain telecommunications network infrastructures and frequency bands of the radio spectrum
- purchasing of goods, including use of public utilities
- placing of bank deposits and purchasing of investment products

These transactions are conducted during the ordinary course of the Group's business based on terms comparable to the terms of transactions enacted with other entities that are not government-related. The Group prices all its telecommunications services and products based on commercial negotiations with reference to rules and regulations stipulated by related authorities of the PRC Government, where applicable. The Group has also established its procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

### 21 CAPITAL COMMITMENTS

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

	<b>As at 30 June 2023 Million</b>	As at 31 December 2022 Million
Land and buildings	<b>2,940</b>	2,205
Telecommunications equipment and others	<b>29,409</b>	27,552
	<b>32,349</b>	29,757

### 22 EVENTS AFTER THE REPORTING PERIOD

After the balance sheet date, the Board of Directors proposed an ordinary interim dividend. Further details are disclosed in note 10(a).

# Report on Review of Interim Financial Information



## To the Board of Directors of China Mobile Limited

*(Incorporated in Hong Kong with limited liability)*

### INTRODUCTION

We have reviewed the condensed consolidated interim financial information set out on pages 14 to 41 which comprises the condensed consolidated balance sheet of China Mobile Limited (the “Company”) and its subsidiaries (together, the “Group”) as of 30 June 2023 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial information to be in compliance with the relevant provisions thereof, and to be in compliance with either International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board or Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, depending on whether the issuer’s annual financial statements are prepared in accordance with International Financial Reporting Standards (“IFRSs”) or Hong Kong Financial Reporting Standards (“HKFRSs”) respectively. As the annual financial statements of the Group are prepared in accordance with both IFRSs and HKFRSs, the directors are responsible for the preparation and presentation of the interim financial information in accordance with both International Accounting Standard 34 and Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the condensed consolidated interim financial information and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, issued by the Hong Kong Institute of Certified Public Accountants. A review of the condensed consolidated interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

## Report on Review of Interim Financial Information

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information as at 30 June 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting” and Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

#### **KPMG**

*Certified Public Accountants*

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

10 August 2023

## *Discussion of Selected Items in the Interim Results*

### **OPERATING REVENUE**

In the first half of 2023, we embraced the valuable opportunities emerging from the flourishing digital economy and continued progress in the development of Digital China, and accelerated the establishment of a world-class “Powerhouse”. Our revenue maintained favourable growth, our revenue structure was further optimized and value contribution from digital transformation revenue as the “second curve” was remarkable. Our operating revenue was RMB530.7 billion, up by 6.8% year-on-year, of which revenue from telecommunications services reached RMB452.2 billion, up by 6.1% year-on-year. Revenue from voice services was RMB37.9 billion, down by 2.0% year-on-year. Revenue from SMS/MMS services was RMB16.2 billion, down by 0.8% year-on-year. Revenue from wireless data traffic services was RMB211.8 billion, up by 1.7% year-on-year. Revenue from wireline broadband services reached RMB58.1 billion, up by 7.2% year-on-year. Revenue from applications and information services reached RMB116.4 billion, up by 18.7% year-on-year, contributing 4.3 percentage points of the growth of revenue from telecommunications services.

### **OPERATING EXPENSES**

We further promoted scientific and sophisticated cost management, and continued to allocate resources in line with the principles of ensuring a sufficient budget for areas essential to promote growth, while reducing and controlling expenses on certain selected areas, thereby constantly optimizing the structure of resource deployment and achieving effective cost control. In the first half of 2023, our operating expenses were RMB450.4 billion, up by 6.6% year-on-year and representing 84.9% of operating revenue.

Network operation and support expenses were RMB143.5 billion, up by 3.9% year-on-year and representing 27.0% of operating revenue. Of which, maintenance, operation support and related expenses saw a 8.4% increase year-on-year and reached RMB94.5 billion, primarily driven by rapid commissioning of new infrastructure projects and increased transformation-related investments.

Depreciation and amortization were RMB103.2 billion, up by 3.7% year-on-year and representing 19.4% of operating revenue. The increase was primarily driven by growth in the scale of our assets as we accelerated network upgrades and business transformation, which brought about a corresponding increase in depreciation and amortization.

Employee benefit and related expenses were RMB70.4 billion, up by 10.2% year-on-year and representing 13.3% of operating revenue, mainly because we continued to adjust and optimize our personnel structure, and placed more efforts in recruitment and training of digital-intelligent talents.

Selling expenses were RMB26.8 billion, up by 2.5% year-on-year and representing 5.1% of operating revenue, down by 0.2 percentage points year-on-year. We rapidly advanced transformation of channels, and constantly upgraded our online sales and services capabilities.

Cost of products sold was RMB77.3 billion, up by 12.2% year-on-year and representing 14.6% of operating revenue. The increase was mainly driven by the growth in revenue from sales of products.

Other operating expenses were RMB29.1 billion, up by 12.9% year-on-year and representing 5.5% of operating revenue. The increase was mainly because we continued to step-up our efforts in developing our core capabilities to empower our intelligent development.

## Discussion of Selected Items in the Interim Results

### PROFITABILITY

We continued to improve quality and efficiency in our operations and management, and maintain our favourable profitability. In the first half of 2023, profit attributable to equity shareholders was RMB76.2 billion, up by 8.4% year-on-year; margin of profit attributable to equity shareholders was 14.4%; EBITDA was RMB183.5 billion, up by 5.5% year-on-year; and EBITDA margin was 34.6%. EBITDA represented 40.6% of revenue from telecommunications services.

### CAPITAL EXPENDITURE

In the first half of 2023, we made rapid progress in the construction of new information infrastructure, such that “new infrastructure” will better serve its key functions of driving economic growth, promoting industrial transformation and stimulating consumption of information services. Our capital expenditure was RMB81.4 billion, representing 18.0% of revenue from telecommunications services, of which 5G-related capital expenditure amounted to RMB42.3 billion. Our capital expenditure was funded primarily by cash generated from operating activities.

### CAPITAL STRUCTURE

Our financial position continued to remain robust. As at the end of June 2023, our total assets and total liabilities were RMB1,991.6 billion and RMB654.7 billion, respectively. Our liabilities to assets ratio was 32.9%.

We did not have any interest-bearing borrowings. We firmly adhered to our prudent financial risk management policies and maintained sound repayment capabilities.

### FINANCIAL POLICIES AND CASH FLOW

Facing a complex operating environment and pressure arising from our investments, we continued to maintain a healthy cash flow as a result of the stable growth in business operations and revenue, refined cost control as well as the further manifestation of economies of scale. Our free cash flow was RMB79.1 billion for the six months ended 30 June 2023. As of 30 June 2023, our cash and bank balances were RMB281.4 billion, of which 93.1%, 2.4% and 4.2% were denominated in Renminbi, U.S. dollars and Hong Kong dollars, respectively.

We will continue to uphold prudent financial policies and strictly monitor and control financial risks in order to continuously maintain healthy cash flow generation capabilities as well as value preservation and enhancement capabilities. In addition, we will focus on scientific resource allocation, maintain a healthy capital structure and level, and reinforce and develop favourable economic benefits in order to continuously create value for shareholders.

## Other Information

### RMB SHARE ISSUE

In order to grasp the window of opportunity to develop the information services market, promote the implementation of the strategy of becoming a world-class enterprise by building a dynamic “Powerhouse”, advance digitalized and intelligent transformation, cultivate a digitalized and intelligent ecosystem with new vitality and build new momentum toward high-quality development, the Company conducted an initial public offering of RMB Shares (the “RMB Share Issue”). On 5 January 2022, the RMB Shares were listed on the Main Board of the SSE.

The total gross proceeds from the RMB Share Issue were RMB51,981,373,781.86. After deducting offering expenses, the net proceeds from the RMB Share Issue were RMB51,373,879,467.74. As set out in the Company’s circular dated 24 May 2021 (the “Circular”) and the prospectus dated 21 December 2021 (the “Prospectus”) in relation to the RMB Share Issue, and as approved by the shareholders of the Company, after deducting offering expenses, all proceeds from the RMB Share Issue will be used towards projects related to the Company’s principal business, which include the development of premium 5G networks, the development of new infrastructure for cloud resources, the development of gigabit broadband and smart home, the development of smart mid-end platform, the research and development of the next-generation information technology and digitalized and intelligent ecosystem. As at 31 December 2022, the total amount of proceeds utilized by the Company was approximately RMB42,917 million and the total amount of proceeds not yet utilized by the Company was approximately RMB8,457 million. The total amount of proceeds utilized by the Company during the six months ended 30 June 2023 was approximately RMB3,357 million. During the six months ended 30 June 2023, the proceeds from the RMB Share Issue were used, and were proposed to be used, according to the intentions previously disclosed by the Company in the Circular and the Prospectus, and there was no material change or delay in the use of proceeds.

Details of the use of proceeds from the RMB Share Issue are as follows:

<b>Project</b>	<b>Total proceeds committed</b> RMB million	<b>Amount utilized during the six months ended 30 June 2023</b> RMB million	<b>Amount utilized as at 30 June 2023</b> RMB million	<b>Amount not yet utilized as at 30 June 2023</b> RMB million	<b>Expected timing for full utilization of proceeds</b>
Development of premium 5G networks	27,313	–	27,313	–	2022
Development of new infrastructure for cloud resources	6,875	898	4,838	2,037	2023
Development of gigabit broadband and smart home	4,297	244	4,188	109	2023
Development of smart mid-end platform	4,297	368	3,923	374	2023
Research and development of the next-generation information technology and digitalized and intelligent ecosystem	8,593	1,847	6,012	2,581	2023
<b>Total</b>	<b>51,374</b>	<b>3,357</b>	<b>46,273</b>	<b>5,101</b>	

Note: Discrepancies in this table between totals and sums of amounts listed are due to rounding.

## Other Information

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

Details of the directors' holding of shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) as at 30 June 2023 are as follows:

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

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

\* The calculation is based on the total number of issued ordinary shares of the Company (i.e. 21,374,420,790 ordinary shares) as at 30 June 2023, and rounded off to two decimal places.

#### Long Positions in the Shares and Underlying Shares of Associated Corporations

Associated corporation	Director	Capacity	Class of shares	Number of shares held	Percentage of the total number of issued shares#
China Tower Corporation Limited ("China Tower")	Carmelo LEE Ka Sze	Beneficial owner	H shares	500,000	0.00%

# The calculation is based on the total number of issued shares of China Tower (i.e. 176,008,471,024 shares) as at 30 June 2023, and rounded off to two decimal places.

Apart from those disclosed herein, as at 30 June 2023, none of the directors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations that is recorded in the register required to be kept under section 352 of the SFO or any interests otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

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

Save as disclosed below, at no time during the six months ended 30 June 2023 was the Company, any of its holding companies or subsidiaries, or any of its holding companies' subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

#### Share Option Scheme of the Company

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

## Other Information

### Purposes

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

### Scope of Scheme Participants

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

### Effective Period

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

### Maximum Quantity of Grant

The maximum number of ordinary shares to be issued upon the exercise of the share options granted under the Scheme (and any other schemes) shall not in aggregate exceed 2,047,548,289 shares (the "Scheme Mandate Limit"), being 10% of the total share capital of the Company as at the date of approval of the Scheme or approximately 9.58% of the total share capital of the Company as at the date of this interim report (being 10 August 2023).

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

### Exercise Price

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

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

### Application or Acceptance Fee

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

### Lapse and Cancellation of Share Options

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

## Other Information

### Movement of Share Options During the Six Months Ended 30 June 2023

During the six months ended 30 June 2023, the Company has not granted any share options under the Scheme.

The movement of share options under the Scheme during the six months ended 30 June 2023 is set forth as follows:

Grantees	Number of ordinary shares underlying share options				Outstanding as at 30 June 2023	Grant date	Exercise price HK\$
	Outstanding as at 1 January 2023	Granted during the period	Exercised during the period	Lapsed and cancelled during the period			
Employees of the Company	280,101,539	0	11,594,026	15,343,204	253,164,309	12 June 2020	55.00
	607,498,179	0	0	1,060,669	606,437,510	19 September 2022	51.60
<b>Total</b>	<b>887,599,718</b>	<b>0</b>	<b>11,594,026</b>	<b>16,403,873</b>	<b>859,601,819</b>		
	<b>As at 1 January 2023</b>				<b>As at 30 June 2023</b>		
Remaining Scheme Mandate Limit	1,159,948,571				1,176,352,444		

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

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

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

Details of share options exercised during the six months ended 30 June 2023 are set forth as follows:

Period during which share options were exercised	Exercise price HK\$	Weighted average closing price per share immediately before dates of exercise HK\$	Number of ordinary shares underlying share options exercised
13 January 2023 to 30 June 2023	55.00	64.10	11,594,026

## Other Information

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

The Company has been notified of the following interests in the Company's issued shares as at 30 June 2023 amounting to 5% or more of the ordinary shares in issue:

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

	Number of ordinary shares held		Percentage of the total number of issued shares
	directly	indirectly	
(i) CMCC	26,208,210	14,890,116,842	69.79%
(ii) China Mobile (Hong Kong) Group Limited ("CMHK (Group)")	–	14,890,116,842	69.67%
(iii) China Mobile Hong Kong (BVI) Limited ("CMHK (BVI)")	14,890,116,842	–	69.67%

Note: As at 30 June 2023, CMCC held 26,208,210 RMB Shares and CMHK (BVI) held 14,890,116,842 Hong Kong Shares. In light of the fact that CMCC and CMHK (Group) directly or indirectly control one-third or more of the voting rights in the shareholders' meetings of CMHK (BVI), in accordance with the SFO, the interests of CMHK (BVI) are deemed to be, and have therefore been included in, the interests of CMCC and CMHK (Group).

Apart from the foregoing, as at 30 June 2023, no other person (other than a director or the chief executive of the Company) had any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange.

### CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Changes in directors' biographical details since the date of the Company's Annual Report 2022 are set out below:

Mr. Stephen YIU Kin Wah retired from his position as an independent non-executive director of Hong Kong Exchanges and Clearing Limited on 26 April 2023 and was appointed as a member of the Board of the Airport Authority Hong Kong on 1 June 2023.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules").

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

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### AUDIT COMMITTEE

The Audit Committee reviewed with management the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2023 and the accounting principles and practices adopted by the Group, and discussed auditing, internal control, financial report and other matters.

## Other Information

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

For the six months ended 30 June 2023, the Company complied with all the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 14 to the Hong Kong Listing Rules.

### COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules to regulate the directors' securities transactions. All directors have confirmed, following specific enquiry by the Company, that they had complied with the required standard set out in the Model Code throughout the period from 1 January 2023 to 30 June 2023.

### APPENDIX 16 TO THE HONG KONG LISTING RULES

According to paragraph 40 of Appendix 16 to the Hong Kong Listing Rules headed "Disclosure of Financial Information", save as disclosed herein, the Company confirms that the Company's current information in relation to those matters set out in paragraph 32 of Appendix 16 to the Hong Kong Listing Rules has not been changed significantly from the information disclosed in the Company's Annual Report 2022.

### CLOSURE OF REGISTER OF MEMBERS FOR HONG KONG SHARES

The Board declared an interim dividend of HK\$2.43 per share (before withholding and payment of PRC enterprise income tax) for the six months ended 30 June 2023 (the "2023 Interim Dividend") to the shareholders of the Company.

The register of members of the Company for the Hong Kong Shares will be closed from Tuesday, 5 September 2023 to Friday, 8 September 2023 (both days inclusive) for the purpose of ascertaining entitlement of holders of Hong Kong Shares to the 2023 Interim Dividend. In order to qualify for the 2023 Interim Dividend, all transfers of Hong Kong Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 4 September 2023. The 2023 Interim Dividend will be paid on or about Monday, 25 September 2023 to those holders of Hong Kong Shares on the register of members on Friday, 8 September 2023 (the "Record Date").

### WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISES IN RESPECT OF 2023 INTERIM DIVIDEND

Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" (the "Enterprise Income Tax Law"), the "Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People's Republic of China" and the "Notice regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management", the Company is required to withhold and pay 10 per cent. enterprise income tax on the distribution of the 2023 Interim Dividend to non-resident enterprise holders of Hong Kong Shares. The withholding and payment obligation lies with the Company. In respect of all holders of Hong Kong Shares whose names appear on the Company's register of members as at the Record Date who are not individuals (including HKSCC Nominees Limited ("HKSCC"), other corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as non-resident enterprise holders of Hong Kong Shares), the Company will distribute the 2023 Interim Dividend after deducting enterprise income tax of 10 per cent.. The Company will not withhold and pay the individual income tax in respect of the 2023 Interim Dividend payable to any natural person holders of Hong Kong Shares whose names appear on the Company's register of members as at the Record Date.

## Other Information

If any resident enterprise (as defined in the Enterprise Income Tax Law) holder of Hong Kong Shares listed on the Company's register of members which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire to have the Company withhold and pay the said 10 per cent. enterprise income tax, it shall lodge with Hong Kong Registrars Limited documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the dividend to which it is entitled not later than 4:30 p.m. on Monday, 4 September 2023.

Investors who invest in Hong Kong Shares through the Shanghai Stock Exchange or the Shenzhen Stock Exchange (the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect investors), whether natural persons or enterprises, are investors who hold Hong Kong Shares through HKSCC, and in accordance with the above requirements, the Company will pay to HKSCC the amount of the 2023 Interim Dividend after withholding for payment the 10 per cent. enterprise income tax.

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

## FORWARD-LOOKING STATEMENTS

Forward-looking statements contained in this interim report do not constitute and should not be viewed as commitments made by the Company. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from those implied by such forward-looking statements. In addition, the Company does not intend to update such forward-looking statements. Investors are cautioned not to unduly rely on such forward-looking statements.



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