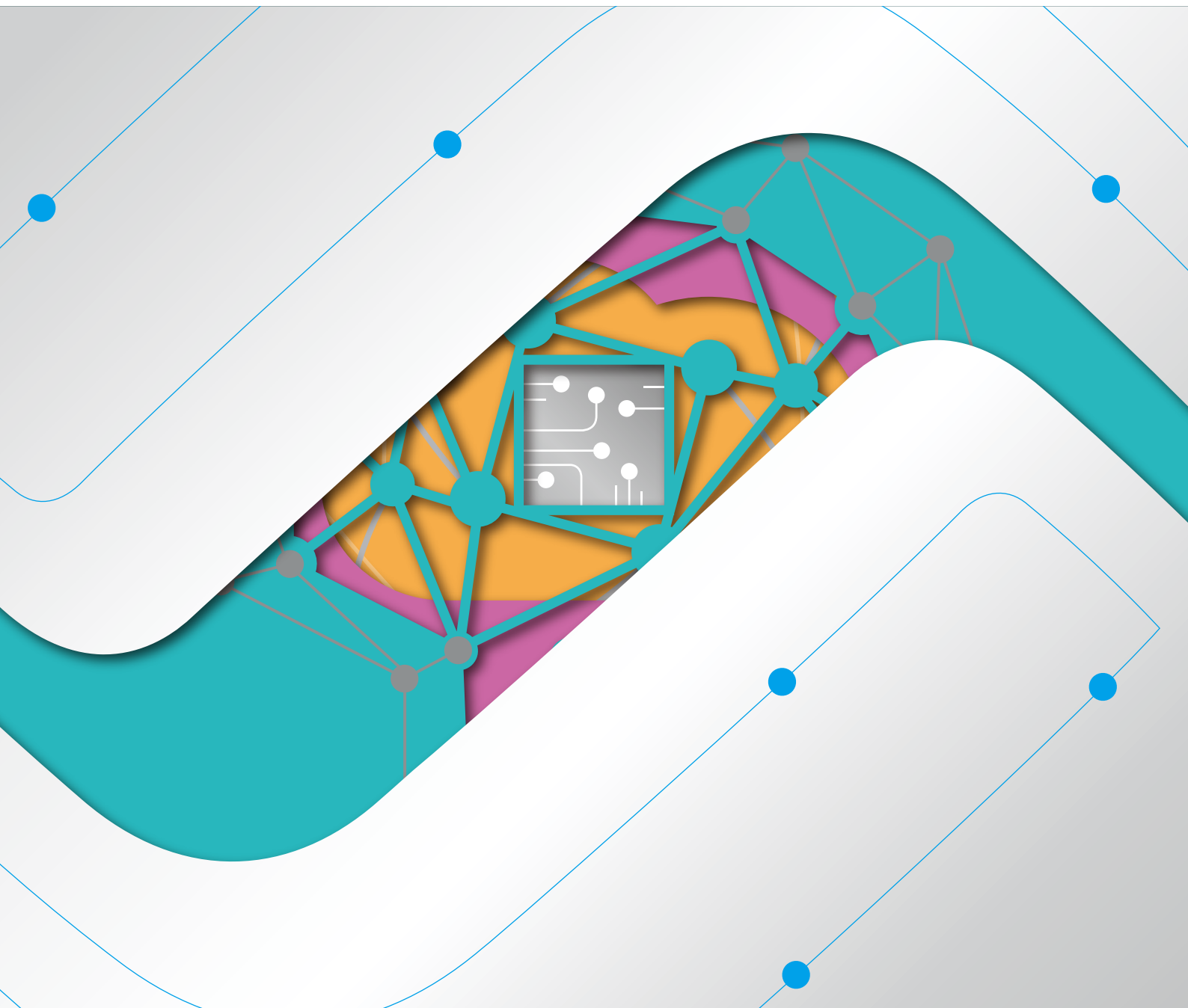
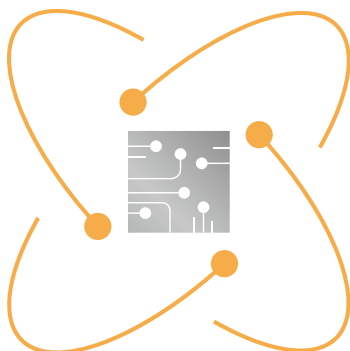
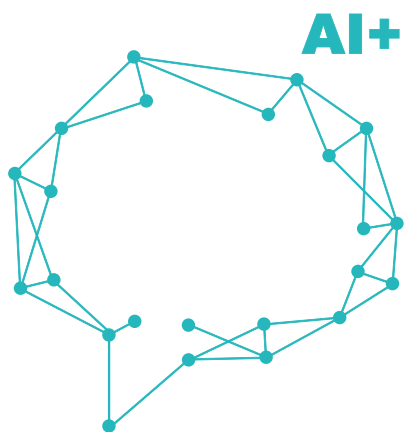






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Financial Highlights

Operating Revenue

(RMB million)



1H2024 / 546,744



1H2023 / 530,719

Revenue from Telecommunications Services

(RMB million)



1H2024 / 463,589



1H2023 / 452,238

Profit Attributable to Equity Shareholders

(RMB million)



1H2024 / 80,201



1H2023 / 76,173

Dividend per Share (Interim)

(HK\$)



1H2024 / 2.60



1H2023 / 2.43

	Six months ended 30 June	
	2024	2023
Operating revenue (RMB million)	546,744	530,719
Of which: Revenue from telecommunications services (RMB million)	463,589	452,238
EBITDA ¹ (RMB million)	182,270	183,457
EBITDA margin ²	33.3%	34.6%
Profit attributable to equity shareholders (RMB million)	80,201	76,173
Margin of profit attributable to equity shareholders ³	14.7%	14.4%
Basic earnings per share (RMB)	3.75	3.56
Dividend per share – Interim (HK\$)	2.60	2.43

¹ EBITDA = profit from operations + depreciation and amortization

² EBITDA margin = EBITDA / operating revenue

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

Corporate Profile

China Mobile Limited (the “Company”, and together with its subsidiaries, the “Group”) was incorporated in Hong Kong on 3 September 1997. The 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 Main Board of the Shanghai Stock Exchange (“SSE”). On 19 June 2023, a RMB counter was added for the trading of shares in the Company listed on the Main Board of the Hong Kong Stock Exchange (the “Hong Kong Shares”).

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 2024, the Group’s total number of employees reached 450,000, and had a total of 1.0 billion mobile customers and 309 million wireline broadband customers. For the first half of 2024, the Group’s operating revenue reached RMB546.7 billion.

The Company’s ultimate controlling shareholder is China Mobile Communications Group Co., Ltd. (“CMCC”), which, as of 30 June 2024, directly and indirectly held approximately 69.64% of the total number of issued shares of the Company. The remaining approximately 30.36% 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 Negative from Moody’s.



Chairman's Statement

Dear Shareholders,

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

2024 INTERIM RESULTS

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

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

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

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

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

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

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

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

⁶ EBITDA = profit from operations + depreciation and amortization.

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

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

Chairman's Statement



Chairman's Statement

VALUE-ORIENTED OPERATIONS CONTINUED TO PROGRESS WITH EMPHASIS ON STRATEGY

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

"Customer" Market: Integrated Operations to Fortify Business Foundation

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

"Home" Market: Extended Services with Greater Value

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

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

Chairman's Statement

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

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

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

Chairman's Statement

“New” Market: Increased Contribution with Scaled Development

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

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

Chairman's Statement

ACCELERATED THE ADVANCEMENT OF THE "TWO NEW ELEMENTS" WITH UPGRADES ON SMART DIGITALIZATION INFRASTRUCTURE AND SMART INFO-SERVICE SPECTRUM

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

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

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

Chairman's Statement

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

¹¹ COCA stands for Compute on Chip Architecture.

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

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

Chairman's Statement

PROPRIETARY INNOVATION DROVE ACHIEVEMENT OF BASIC6 INITIATIVES

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

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

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

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

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

Chairman's Statement

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

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

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

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

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

Chairman's Statement

SEIZED OPPORTUNITIES TO IMPLEMENT “AI+” INITIATIVES AND ACHIEVED ENCOURAGING INITIAL RESULTS

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

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

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

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

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

Chairman's Statement

STIMULATED DEVELOPMENT MOMENTUM TO PROMOTE COLLABORATION AND COLLECTIVE SUCCESS

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

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

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

Chairman's Statement

STEADFAST ENHANCEMENTS TO ESG MANAGEMENT QUALITY

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

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

FUTURE OUTLOOK

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

Chairman's Statement

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

ACKNOWLEDGEMENT

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



Yang Jie
Chairman

Hong Kong, 8 August 2024

Unaudited Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2024 (Expressed in Renminbi ("RMB"))

		Six months ended 30 June	
	Note	2024 Million	2023 Million
Operating revenue	5		
Revenue from telecommunications services		463,589	452,238
Revenue from sales of products and others		83,155	78,481
		546,744	530,719
Operating expenses			
Network operation and support expenses	6	142,682	143,526
Depreciation and amortisation		96,536	103,170
Employee benefit and related expenses		75,052	70,433
Selling expenses		29,222	26,835
Cost of products sold		81,520	77,332
Other operating expenses	7	35,998	29,136
		461,010	450,432
Profit from operations		85,734	80,287
Other gains		1,814	4,003
Interest and other income	8	11,123	11,373
Finance costs		(1,672)	(1,938)
Income from investments accounted for using the equity method		6,150	4,953
Profit before taxation		103,149	98,678
Taxation	9	(22,892)	(22,439)
PROFIT FOR THE PERIOD		80,257	76,239
Other comprehensive income for the period, net of tax:			
Items that will not be subsequently reclassified to profit or loss			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		(6)	(7)
Share of other comprehensive income/(loss) of investments accounted for using the equity method		3	(93)
Items that may be subsequently reclassified to profit or loss			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		136	–
Currency translation differences		677	1,219
Share of other comprehensive income of investments accounted for using the equity method		735	534
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		81,802	77,892

Unaudited Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2024 (Expressed in RMB)

		Six months ended 30 June	
	Note	2024 Million	2023 Million
Profit attributable to:			
Equity shareholders of the Company		80,201	76,173
Non-controlling interests		56	66
PROFIT FOR THE PERIOD		80,257	76,239
Total comprehensive income attributable to:			
Equity shareholders of the Company		81,735	77,826
Non-controlling interests		67	66
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		81,802	77,892
Earnings per share – Basic	11(a)	RMB3.75	RMB3.56
Earnings per share – Diluted	11(b)	RMB3.73	RMB3.56

The notes on pages 26 to 44 are an integral part of this interim financial information.

Unaudited Condensed Consolidated Balance Sheet

as at 30 June 2024 (Expressed in RMB)

	Note	As at 30 June 2024 Million	As at 31 December 2023 Million
Assets			
Non-current assets			
Property, plant and equipment	12	680,172	714,663
Construction in progress	12	94,862	74,496
Right-of-use assets		86,890	94,753
Land use rights		14,650	14,877
Goodwill		35,301	35,301
Development expenditure		2,319	2,279
Other intangible assets		31,972	32,720
Investments accounted for using the equity method	13	185,013	181,715
Deferred tax assets		47,891	47,337
Financial assets measured at fair value through other comprehensive income	14	6,083	3,518
Financial assets measured at fair value through profit or loss	14	176,712	185,621
Other financial assets measured at amortised cost	16	5,625	5,628
Bank deposits		75,495	55,387
Other non-current assets		44,439	46,258
		1,487,424	1,494,553
Current assets			
Inventories		12,616	12,026
Contract assets		20,726	19,407
Accounts receivable	15	84,342	54,881
Other receivables		15,901	12,342
Bills receivable		696	1,205
Prepayments		8,096	7,516
Prepaid income tax		507	809
Other non-financial assets		22,728	23,108
Financial assets measured at fair value through profit or loss	14	176,336	156,018
Other financial assets measured at amortised cost	16	19,344	32,020
Bank deposits		40,818	37,213
Cash and cash equivalents		132,073	141,559
		534,183	498,104
Total assets		2,021,607	1,992,657

Unaudited Condensed Consolidated Balance Sheet

as at 30 June 2024 (Expressed in RMB)

	Note	As at 30 June 2024 Million	As at 31 December 2023 Million
Equity and liabilities			
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	17	309,053	297,456
Bills payable		14,669	26,520
Contract liabilities		45,408	66,193
Receipts in advance		74,746	79,035
Other payables		61,949	38,201
Income tax payable		14,982	15,985
Lease liabilities		33,448	35,175
		554,255	558,565
Non-current liabilities			
Lease liabilities		62,222	67,759
Deferred revenue		9,245	9,281
Defined benefit plan and other employee benefit liabilities		6,417	6,408
Deferred tax liabilities		3,742	3,077
Other non-current liabilities		1,857	1,582
		83,483	88,107
Total liabilities		637,738	646,672
Equity			
Share capital	19	457,903	455,001
Reserves		921,641	886,731
Total equity attributable to equity shareholders of the Company		1,379,544	1,341,732
Non-controlling interests		4,325	4,253
Total equity		1,383,869	1,345,985
Total equity and liabilities		2,021,607	1,992,657

The notes on pages 26 to 44 are an integral part of this interim financial information.

Unaudited Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2024 (Expressed in RMB)

	Attributable to equity shareholders of the Company							Non-controlling interests Million	Total equity Million
	Share capital Million	Capital reserve Million	Exchange reserve Million	PRC Statutory reserves Million	Other reserves Million	Retained profits Million	Total Million		
As at 1 January 2023	453,504	(264,035)	1,495	355,463	2,366	748,555	1,297,348	4,075	1,301,423
Changes in equity for the six months ended 30 June 2023:									
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
As at 30 June 2023	454,113	(263,660)	2,714	355,463	2,824	781,314	1,332,768	4,117	1,336,885

Unaudited Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2024 (Expressed in RMB)

	Attributable to equity shareholders of the Company							Non-controlling interests Million	Total equity Million
	Share capital Million	Capital reserve Million	Exchange reserve Million	PRC Statutory reserves Million	Other reserves Million	Retained profits Million	Total Million		
As at 1 January 2024	455,001	(263,336)	2,068	367,535	3,303	777,161	1,341,732	4,253	1,345,985
Changes in equity for the six months ended 30 June 2024:									
Profit for the period	-	-	-	-	-	80,201	80,201	56	80,257
Changes in the fair value of financial assets measured at fair value through other comprehensive income	-	-	-	-	119	-	119	11	130
Currency translation differences	-	-	677	-	-	-	677	-	677
Share of other comprehensive income of investments accounted for using the equity method	-	-	-	-	738	-	738	-	738
Total comprehensive income for the period	-	-	677	-	857	80,201	81,735	67	81,802
Dividends paid during the period (note 10(b))	-	-	-	-	-	(46,924)	(46,924)	-	(46,924)
Exercise of share options	2,902	(198)	-	-	-	-	2,704	-	2,704
Share option scheme									
– Value of share options (note 18)	-	314	-	-	-	-	314	-	314
Changes in the share of other reserves of investments accounted for using the equity method	-	50	-	-	-	-	50	-	50
Purchase of own shares	-	-	-	-	-	(141)	(141)	-	(141)
Others	-	28	-	-	14	32	74	5	79
As at 30 June 2024	457,903	(263,142)	2,745	367,535	4,174	810,329	1,379,544	4,325	1,383,869

The notes on pages 26 to 44 are an integral part of this interim financial information.

Unaudited Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2024 (Expressed in RMB)

		Six months ended 30 June	
	Note	2024 Million	2023 Million
Operating activities			
Profit before taxation		103,149	98,678
Adjustments for:			
– Depreciation and amortisation		96,536	103,170
– Interest and other income	8	(11,123)	(11,373)
– Finance costs		1,672	1,938
– Income from investments accounted for using the equity method		(6,150)	(4,953)
– Others		12,697	8,167
Operating cash flows before changes in working capital		196,781	195,627
Increase in inventories		(781)	(1,519)
Increase in contract assets		(815)	(2,027)
Decrease in contract costs		1,388	865
Increase in accounts receivable		(41,273)	(36,163)
(Increase)/decrease in other receivables		(1,834)	302
Decrease in bills receivable		509	170
Increase in prepayments		(580)	(1,395)
Decrease in other non-financial assets		380	1,144
Increase in accounts payable and accrued expenses		15,220	35,045
Decrease in bills payable		(7,337)	(2,173)
Decrease in contract liabilities		(20,785)	(20,624)
Decrease in receipts in advance		(4,289)	(6,688)
(Decrease)/increase in deferred revenue		(36)	38
Increase in other payables		17,571	18,278
Others		851	(1,578)
Cash generated from operations		154,970	179,302
Tax paid			
– The mainland of China and other countries and regions' enterprise income tax paid		(23,354)	(18,403)
– Hong Kong profits tax paid		(239)	(374)
Net cash generated from operating activities		131,377	160,525

Unaudited Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2024 (Expressed in RMB)

	Six months ended 30 June	
	2024	2023
	Million	Million
Investing activities		
Payment for property, plant and equipment, other intangible assets and non-current assets	(73,460)	(79,646)
Proceeds from disposal and write-off of property, plant and equipment and non-current assets	369	271
Placement of term deposits	(44,909)	(19,529)
Proceeds from withdrawal of term deposits	19,795	44,797
Decrease in the statutory deposit reserves by China Mobile Finance	1,568	313
Payment for the purchase of other financial assets measured at amortised cost	(22,863)	(20,193)
Proceeds from disposal of other financial assets measured at amortised cost	35,638	19,863
Interest and other finance income received	4,817	4,122
Proceeds from partial disposal of investments accounted for using the equity method	–	1,593
Payment for the purchase of investments accounted for using the equity method	–	(1,972)
Dividends received from investments accounted for using the equity method	1,836	1,674
Payment for the purchase of financial assets measured at fair value through profit or loss	(31,100)	(17,101)
Proceeds from disposal of financial assets measured at fair value through profit or loss	25,164	6,568
Payment for the purchase of financial assets measured at fair value through other comprehensive income	(2,634)	(15)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	297	–
Net cash used in investing activities	(85,482)	(59,255)

Unaudited Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2024 (Expressed in RMB)

		Six months ended 30 June	
	Note	2024 Million	2023 Million
Financing activities			
Proceeds received from exercise of share options		2,704	566
Dividends paid to the Company's equity shareholders		(46,924)	(43,414)
Interest paid in relation to short-term deposits placed by CMCC Group		(14)	(23)
Net receipts/(repayment) of short-term deposits placed by CMCC Group	20(a)	6,161	(10,593)
Repayment of principal and interest of lease liabilities		(17,297)	(10,261)
Payment for purchase of own shares		(141)	–
Others		(3)	(41)
Net cash used in financing activities		(55,514)	(63,766)
Net (decrease)/increase in cash and cash equivalents		(9,619)	37,504
Cash and cash equivalents, beginning of period		141,559	167,106
Effect of changes in foreign exchange rate		133	318
Cash and cash equivalents, end of period		132,073	204,928

The notes on pages 26 to 44 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 2024 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim financial reporting”, issued by the International Accounting Standards Board (“IASB”), and Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting”, issued by HKICPA, which are consistent, and the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on HKEX.

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

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

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

The unaudited condensed consolidated interim financial information was approved by the board of directors of the Company for issuance on 8 August 2024.

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 45 of this interim report.

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

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

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

3 MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

8 INTEREST AND OTHER INCOME

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

9 TAXATION

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

Note:

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

Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

10 DIVIDENDS

(a) Dividends attributable to the period

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

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

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

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

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

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

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

(b) Diluted earnings per share

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

- (i) Convertible bonds issued by an associate of the Group ("CB") that were outstanding during the periods (note 14);
- (ii) Share options issued by the Company that were outstanding during the periods (note 18);

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

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

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

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

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)

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

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

12 PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

For the six months ended 30 June 2024, the Group acquired items of property, plant and equipment and construction in progress with an aggregate cost of RMB62,969 million (for the six months ended 30 June 2023: RMB80,536 million) and the depreciation of property, plant and equipment recognised in unaudited condensed consolidated statement of comprehensive income was RMB73,108 million (for the six months ended 30 June 2023: RMB85,623 million).

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

Notes to Unaudited Condensed Consolidated Interim Financial Information

(Expressed in RMB unless otherwise indicated)

13 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

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

	As at 30 June 2024 Million	As at 31 December 2023 Million
Associates	184,398	181,080
Joint ventures	615	635
	185,013	181,715

(a) Major associates

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

Name of associate	Place of incorporation/ establishment and operation	Proportion of ownership interest held by the Company or its subsidiary	Principal activity
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

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

	As at 30 June 2024		As at 31 December 2023	
	Carrying amount Million	Fair value Million	Carrying amount Million	Fair value Million
SPD Bank	121,394	43,906	117,936	35,317
China Tower	54,256	45,308	54,365	36,524

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 2024, the fair value of investment in SPD Bank was RMB43,906 million (as at 31 December 2023: RMB35,317 million) based on its quoted market price, which was below its carrying amount by 63.8% (as at 31 December 2023: 70.1%). The management of the Group performed an impairment assessment with the assistance of an independent external valuer and determined the recoverable amount of the investment based on its VIU. The calculation has considered pre-tax cash flow projections of SPD Bank for a five-year forecast period with an extrapolation made to perpetuity. As at 30 June 2024, the pre-tax discount rate used to discount the cash flows to their respective net present values was 10.6%, and 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 2024.

As at 30 June 2024, the fair value of investment in China Tower was RMB45,308 million (as at 31 December 2023: RMB36,524 million) based on its quoted market price, which was below its carrying amount by 16.5% (as at 31 December 2023: 32.8%). Based on the management's assessment result, there was no impairment of the investment as at 30 June 2024.

As at 30 June 2024 and 31 December 2023, 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 2024:

	Level 1 Million	Level 2 Million	Level 3 Million	Total Million
Financial assets measured at FVPL				
Wealth management products ("WMPs")	–	–	233,268	233,268
Asset management plans	–	–	51,571	51,571
Bond funds and monetary funds	56,293	–	–	56,293
CB	10,018	–	–	10,018
Equity investments and others	473	–	1,425	1,898
	66,784	–	286,264	353,048
Financial assets measured at FVOCI	5,910	–	173	6,083
Total	72,694	–	286,437	359,131

The following table presents the Group's assets that are measured at fair value at 31 December 2023:

	Level 1 Million	Level 2 Million	Level 3 Million	Total Million
Financial assets measured at FVPL				
Wealth management products ("WMPs")	–	–	226,963	226,963
Asset management plans	–	–	50,573	50,573
Bond funds and monetary funds	52,725	–	–	52,725
CB	9,780	–	–	9,780
Equity investments and others	517	–	1,081	1,598
	63,022	–	278,617	341,639
Financial assets measured at FVOCI	3,345	–	173	3,518
Total	66,367	–	278,790	345,157

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 2024 and 2023, 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 2023 Million	Purchase Million	Disposal Million	Recognised in profit or loss Million	Recognised in other comprehensive income Million	As at 30 June 2024 Million
Financial assets measured at FVOCI	173	-	-	-	-	173
Financial assets measured at FVPL	278,617	28,600	(24,652)	3,699	-	286,264
	278,790	28,600	(24,652)	3,699	-	286,437

(d) Transfers between Levels

There were no transfers between the levels of fair value hierarchy for the six months ended 30 June 2024 and 2023.

15 ACCOUNTS RECEIVABLE

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

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

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.

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(Expressed in RMB unless otherwise indicated)

16 OTHER FINANCIAL ASSETS MEASURED AT AMORTISED COST

	As at 30 June 2024			As at 31 December 2023		
	Non-current assets Million	Current assets Million	Total Million	Non-current assets Million	Current assets Million	Total Million
Other financial assets measured at amortised cost						
– PRC treasury bonds	5,240	–	5,240	5,243	–	5,243
– Other debt instrument investments	385	19,344	19,729	385	32,020	32,405
	5,625	19,344	24,969	5,628	32,020	37,648

PRC treasury bonds will mature in 2052 and bear a fixed coupon rate of 3.32% and effective interest rates of 3.08% to 3.11% per annum, with the aggregated principal amounted to RMB5,000 million as at 30 June 2024 (as at 31 December 2023: RMB5,000 million).

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

17 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

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

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

The aging analysis of accounts payable is as follows:

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

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

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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 2,047,548,289 shares, which is 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 directors (excluding independent non-executive directors), 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. 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 2024, share options compensation expenses recorded in profit or loss amounted to RMB314 million (for the six months ended 30 June 2023: RMB392 million).

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(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 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
As at 1 January 2024	HK\$52.55	840,058,333
Exercised	HK\$55.00	(54,048,124)
Forfeited	HK\$54.39	(14,154,424)
As at 30 June 2024	HK\$52.35	771,855,785
Vested and exercisable as at 30 June 2024	HK\$55.00	169,368,917

73,512,657 options were vested and exercisable after the satisfaction of the conditions for vesting during the period (for the six months ended 30 June 2023: 75,569,164).

The weighted average share price at the date of exercise for share options exercised during the period was HK\$71.72 (for the six months ended 30 June 2023: HK\$64.78).

(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 2024 and 31 December 2023 are as follows:

Grant Date	Normal exercise period	Exercise price	No. of shares involved in the options outstanding as at 30 June 2024	No. of shares involved in the options outstanding as at 31 December 2023
12 June 2020	12 June 2022-12 June 2030	HK\$55.00	51,055,606	81,867,774
12 June 2020	12 June 2023-12 June 2030	HK\$55.00	50,316,633	68,221,710
12 June 2020	12 June 2024-12 June 2030	HK\$55.00	67,996,678	84,929,063
19 September 2022	19 September 2024- 19 September 2032	HK\$51.60	240,994,748	242,015,914
19 September 2022	19 September 2025- 19 September 2032	HK\$51.60	180,746,060	181,511,936
19 September 2022	19 September 2026- 19 September 2032	HK\$51.60	180,746,060	181,511,936

The options outstanding as at 30 June 2024 had a weighted average remaining contractual life of 7.7 years (as at 31 December 2023: 8.0 years).

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(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
As at 31 December 2023		21,390,880,312	455,001
Exercise of share options	18	54,048,124	2,902
Purchase of own shares	(i)	(2,377,000)	—
As at 30 June 2024		21,442,551,436	457,903
Of which: Shares listed on the HKEX		20,539,783,569	
Shares listed on the SHEX		902,767,867	

Note:

- (i) In January 2024, the Company repurchased and cancelled its own 2,377,000 shares listed on the HKEX, with the price paid between HK\$63.05 and HK\$66.45 per share. The aggregate amount paid was HK\$155 million (equivalent to RMB141 million). Such buy-backs were financed out of the Company's distributable profits, as a result, the aforesaid buy-backs were reduced from the Company's retained profits, in accordance with the requirements of HKCO.
- (ii) 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.

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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 2024 and 2023. The majority of these transactions also constitute continuing connected transactions as defined under Chapter 14A of the Listing Rules.

		Six months ended 30 June	
	Note	2024 Million	2023 Million
Revenue from telecommunications facilities construction services	(i)	455	771
Revenue from comprehensive support services	(ii)	336	167
Technical support services charges	(iii)	525	152
Additions of right-of-use assets	(iv)	1,099	2,009
Related costs for lease of network assets and property	(iv)	7,160	5,946
Interest expenses	(v)	14	21
Net receipts/(repayment) of short-term deposits	(v)	6,161	(10,593)

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

	As at 30 June 2024 Million	As at 31 December 2023 Million
Accounts receivable	1,843	2,341
Other receivables	179	89
Prepayments	93	9
Right-of-use assets	4,410	5,701
Lease liabilities	6,683	7,351
Accounts payable and accrued expenses	17,082	14,363
Receipts in advance	3	4
Other payables	9,764	3,810

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

Notes to 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 2024 and 2023, the terms of which are fair and reasonable.

		Six months ended 30 June	
	Note	2024 Million	2023 Million
Revenue from telecommunications services	(i)	743	614
Telecommunications services charges	(i)	94	52
Technical support services charges	(ii)	1,775	2,046
Property leasing and management services revenue	(iii)	21	22
Dividend received		1,836	1,674
Related costs for use of tower assets	(iv)	20,212	20,889
Additions of right-of-use assets	(iv)	2,063	1,932
(Decrease)/increase in cash, cash equivalents and bank deposits	(v)	(11,675)	7,523
Decrease in other financial assets measured at amortised cost	(vi)	(200)	(200)
Purchase of financial assets measured at FVPL	(vii)	2,100	–
Disposal of financial assets measured at FVPL	(vii)	–	3,248
Interest and other income	(viii)	1,437	1,452

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 2024 Million	As at 31 December 2023 Million
Accounts receivable	542	345
Right-of-use assets	48,415	54,441
Other receivables	1,862	111
Cash, cash equivalents and bank deposits	60,018	71,197
Other financial assets measured at amortised cost	–	201
Financial assets measured at FVPL	35,622	33,086
Prepayments	23	31
Lease liabilities	53,511	60,178
Accounts payable and accrued expenses	13,322	16,365
Bills payable	6,605	13,326
Receipts in advance	10	12
Other payables	49	32

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/the additions of right-of-use assets. For the six months ended 30 June 2024, related costs for use of tower assets include the depreciation of right-of-use assets amounting to RMB6,978 million (For the six months ended 30 June 2023: RMB6,905 million), charges for use of tower assets and finance costs associated with the lease liabilities amounting to RMB12,664 million (For the six months ended 30 June 2023: RMB13,736 million), other service charges amounting to RMB570 million (For the six months ended 30 June 2023: RMB248 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 2024 and 2023, the terms of which are fair and reasonable.

		Six months ended 30 June	
	Note	2024 Million	2023 Million
Increase in cash, cash equivalents and bank deposits	(i)	127	576
Purchase of financial assets measured at FVPL	(ii)	9,100	—
Disposal of financial assets measured at FVPL	(ii)	2,000	—
Interest and other income	(iii)	1,070	760

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

	As at 30 June 2024 Million	As at 31 December 2023 Million
Cash, cash equivalents and bank deposits	3,770	3,645
Financial assets measured at FVPL	45,307	38,691

- (i) The amounts represent the deposits placed with Postal Savings Bank of China ("PSBC"), the interest rate of which is negotiated based on the benchmark interest rate published by PBOC.
- (ii) The amounts represent the WMPs purchased from PSBC. The return rates of WMPs are determined with reference to market conditions.
- (iii) The amounts primarily represent income from the deposits placed with PSBC, and the 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:

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

22 EVENTS AFTER THE REPORTING PERIOD

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

23 COMPARATIVE FIGURES

Certain comparative figures on the condensed consolidated statement of cash flows have been re-presented to conform to the presentation for the period.

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 17 to 44 which comprises the condensed consolidated balance sheet of China Mobile Limited (the “Company”) and its subsidiaries (together, the “Group”) as of 30 June 2024 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 IFRS Accounting 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 2024 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

8 August 2024

Discussion of Selected Items in the Interim Results

OPERATING REVENUE

In the first half of 2024, we furthered value-oriented operations by leveraging our business scale, coordinated and drove the comprehensive and integrated development of our CHBN markets, and saw strong momentum from digital transformation revenue as the “second curve” in driving our revenue growth. Our operating revenue was RMB546.7 billion, up by 3.0% year-on-year, of which revenue from telecommunications services reached RMB463.6 billion, up by 2.5% year-on-year. Revenue from voice services was RMB36.3 billion, down by 4.3% year-on-year. Revenue from SMS/MMS services was RMB16.2 billion, up by 0.5% year-on-year. Revenue from wireless data traffic services was RMB205.1 billion, down by 3.2% year-on-year. Revenue from wireline broadband services was RMB63.0 billion, up by 8.4% year-on-year. Revenue from applications and information services was RMB129.0 billion, up by 10.9% year-on-year, contributing 2.8 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 2024, our operating expenses were RMB461.0 billion, up by 2.3% year-on-year and representing 84.3% of operating revenue.

Network operation and support expenses were RMB142.7 billion, down by 0.6% year-on-year and representing 26.1% of operating revenue. As we remained committed to investing in digital transformation, we further advanced our specialized group-based management, technology-based cost saving and efficiency benchmarking practices, and saw remarkable results from these cost management measures.

Depreciation and amortization were RMB96.5 billion, down by 6.4% year-on-year and representing 17.7% of operating revenue. The decrease was primarily driven by the change of the depreciable life of our 5G wireless assets and related transmission equipment.

Employee benefit and related expenses were RMB75.1 billion, up by 6.6% year-on-year and representing 13.7% of operating revenue, mainly because we relentlessly pursued the strategy to be driven by sci-tech innovation, and further stepped up incentives for talents in technological innovation.

Selling expenses were RMB29.2 billion, up by 8.9% year-on-year and representing 5.3% of operating revenue. The increase in selling expenses was primarily driven by growth in channel operations, customer services, and other marketing and business development efforts.

Cost of products sold was RMB81.5 billion, up by 5.4% year-on-year and representing 14.9% of operating revenue. The increase was primarily driven by a growth in sales of mobile handsets and other terminals.

Other operating expenses were RMB36.0 billion, up by 23.6% year-on-year and representing 6.6% of operating revenue. The increase was primarily driven by an increase in settlement costs for our international businesses.

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 2024, profit attributable to equity shareholders was RMB80.2 billion, up by 5.3% year-on-year; margin of profit attributable to equity shareholders was 14.7%; EBITDA was RMB182.3 billion, down by 0.6% year-on-year; EBITDA margin was 33.3%; and EBITDA represented 39.3% of revenue from telecommunications services.

CAPITAL EXPENDITURE

We continued to build our new information infrastructure centered on 5G, computility network and the integration platform. In particular, we doubled-down our efforts in strategic planning and development of intelligence computility capability for AI applications. In the first half of 2024, our capital expenditure was RMB64.0 billion, representing 13.8% of revenue from telecommunications services.

CAPITAL STRUCTURE

Our financial position continued to remain robust. As at the end of June 2024, our total assets and total liabilities were RMB2,021.6 billion and RMB637.7 billion, respectively, and our liabilities to assets ratio was 31.5%.

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 RMB67.4 billion for the six months ended 30 June 2024. As of 30 June 2024, our cash and bank balances were RMB248.4 billion, of which 90.9%, 2.5% and 6.4% 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 2023, the total amount of proceeds utilized by the Company was approximately RMB49,571 million and the total amount of proceeds not yet utilized by the Company was approximately RMB1,803 million. The total amount of proceeds utilized by the Company during the six months ended 30 June 2024 was approximately RMB856 million. During the six months ended 30 June 2024, 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 save as disclosed in the Company’s Annual Report 2023, 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:

Project	Total proceeds committed RMB million	Amount utilized during the six months ended 30 June 2024 RMB million	Amount utilized as at 30 June 2024 RMB million	Amount not yet utilized as at 30 June 2024 RMB million	Expected timing for full utilization of proceeds
Development of premium 5G networks	27,313	–	27,313	–	2022
Development of new infrastructure for cloud resources	6,875	176	6,184	691	2024
Development of gigabit broadband and smart home	4,297	–	4,297	–	2023
Development of smart mid-end platform	4,297	78	4,281	16	2024
Research and development of the next-generation information technology and digitalized and intelligent ecosystem	8,593	601	8,352	241	2024
Total	51,374	856	50,427	947	

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 2024 are as follows:

Long Positions in the Shares of the Company

Director	Capacity	Number of ordinary shares held	Percentage of the total number of issued shares*
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. 21,442,551,436 ordinary shares) as at 30 June 2024, and rounded off to two decimal places.

Long Positions in the Shares of Associated Corporations

Associated corporation	Director	Capacity	Class of shares	Number of shares held	Percentage of the total number of issued shares#
China Tower Corporation Limited ("China Tower")	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 2024, and rounded off to two decimal places.

Apart from those disclosed herein, as at 30 June 2024, none of the directors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations that is recorded in the register required to be kept under section 352 of the SFO or any interests otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules").

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

Save as disclosed below, at no time during the six months ended 30 June 2024 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 9.55% of the total share capital of the Company as at the date of this interim report (being 8 August 2024).

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 2024

During the six months ended 30 June 2024, the Company did not grant any share options under the Scheme.

The movement of share options under the Scheme during the six months ended 30 June 2024 is set forth as follows:

Grantees	Number of ordinary shares underlying share options				Outstanding as at 30 June 2024	Grant date	Exercise price HK\$
	Outstanding as at 1 January 2024	Granted during the period	Exercised during the period	Lapsed and cancelled during the period			
Employees of the Company	235,018,547	–	54,048,124	11,601,506	169,368,917	12 June 2020	55.00
	605,039,786	–	–	2,552,918	602,486,868	19 September 2022	51.60
Total	840,058,333	–	54,048,124	14,154,424	771,855,785		

	As at 1 January 2024	As at 30 June 2024
Remaining Scheme		
Mandate Limit	1,179,436,408	1,193,590,832

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 2024 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
2 January 2024 to 28 June 2024	55.00	70.96	54,048,124

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 2024 amounting to 5% or more of the ordinary shares in issue:

Long Positions in the Shares of the Company

		Number of ordinary shares held		Percentage of
		directly	indirectly	the total number of issued shares
(i)	CMCC	42,367,000	14,890,116,842	69.64%
(ii)	China Mobile (Hong Kong) Group Limited ("CMHK (Group)")	–	14,890,116,842	69.44%
(iii)	China Mobile Hong Kong (BVI) Limited ("CMHK (BVI)")	14,890,116,842	–	69.44%

Note: As at 30 June 2024, CMCC held 42,367,000 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 2024, 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 2023 are set out below:

Mr. HE Biao was appointed as an Executive Director and the Chief Executive Officer of the Company with effect from 26 April 2024. Mr. HE Biao was also appointed as a member of the Sustainability Committee of the Company with effect from 22 May 2024. The biographical details of Mr. HE Biao were set out in the Company's announcement dated 26 April 2024.

Mr. Stephen YIU Kin Wah was appointed as a member of the Public Service Commission of Hong Kong with effect from 1 July 2024.

Mr. Carmelo LEE Ka Sze ceased to be a member of the Chairmen pool of the Listing Review Committee of the Hong Kong Stock Exchange with effect from 4 July 2024.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

Other Information

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

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

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

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

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

AUDIT COMMITTEE

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

COMPLIANCE WITH THE CODE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

For the six months ended 30 June 2024, the Company complied with all the code provisions under Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code to regulate the directors' securities transactions. All directors have confirmed, following specific enquiry by the Company, that they had complied with the required standard set out in the Model Code throughout the period from 1 January 2024 to 30 June 2024.

Other Information

APPENDIX D2 TO THE HONG KONG LISTING RULES

According to paragraph 40 of Appendix D2 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 D2 to the Hong Kong Listing Rules has not been changed significantly from the information disclosed in the Company’s Annual Report 2023.

CLOSURE OF REGISTER OF MEMBERS FOR HONG KONG SHARES

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

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

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

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

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

Other Information

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

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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