



May 2023



信息能量融合创新

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



中国移动有限公司
China Mobile Limited
www.chinamobileltd.com

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Unless otherwise stated, the financial data contained in this document have been prepared in accordance with International Financial Reporting Standards ("IFRS"). For detailed financial statements of the Company prepared in accordance with IFRS, please refer to the Company's disclosure document published on the website of The Stock Exchange of Hong Kong Limited.

Key Performance Indicators for 1Q 2023

(RMB Mil)	1Q 2022	1Q 2023	Changes
Operating revenue	227,320	250,746	10.3%
of which: telecommunications service revenue	193,754	209,837	8.3%
Operating expenses	202,699	223,168	10.1%
EBITDA	76,095	79,851	4.9%
EBITDA margin	33.5%	31.8%	-1.7pp
Net profit	25,624	28,067	9.5%
Net profit margin	11.3%	11.2%	-0.1pp
Mobile ARPU (RMB)	47.5	47.9	0.8%
Household customer blended ARPU (RMB)	37.8	39.2	3.5%

EBITDA = profit from operations + depreciation and amortisation;

EBITDA margin = EBITDA / operating revenue

Net profit refers to profit attributable to equity shareholders of the Company

Net profit margin = net profit / operating revenue

01

2022 Overall Results

Performance Highlights

- 1** Continued to achieve outstanding performance
- 2** Business transformation achieved remarkable results
- 3** Accelerated Build-out of the “Two New Elements” (New Information Infrastructure and New Information Services System)
- 4** Sci-tech innovation bore fruit
- 5** Continuously extended open collaboration
- 6** Dividend payment continued to increase
- 7** Implement business strategies steadily for long-term success

Key Performance Indicators

(RMB Mil)	2021	2022	Change YoY
Operating revenue	848,258	937,259	10.5%
of which: telecommunications service revenue	751,409	812,058	8.1%
EBITDA	311,008	329,176	5.8%
EBITDA margin	36.7%	35.1%	-1.6pp
Net profit	116,148	125,459	8.0%
Net profit margin	13.7%	13.4%	-0.3pp
Basic earnings per share (RMB)	5.67	5.88	3.7%

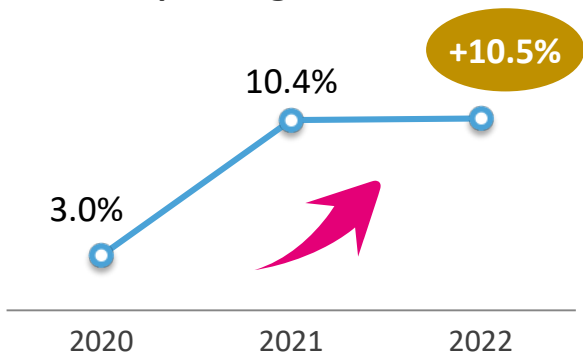
Note: Unless otherwise specified,

1. Telecommunications service revenue = operating revenue - revenue from sales of products and others; revenue from sales of products and others mainly comprises sales of terminal products such as handsets
2. EBITDA = profit from operations + depreciation and amortisation; net profit refers to profit attributable to equity shareholders of the Company

Continued to Achieve Outstanding Performance

Revenue maintained a double-digit increase

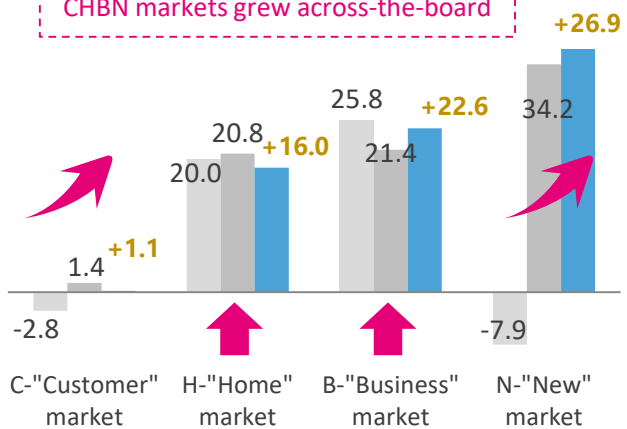
Growth in operating revenue



Growth in CHBN revenue (%)

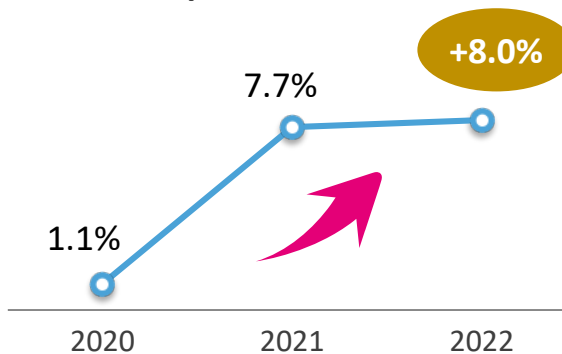
(%) ■ 2020 ■ 2021 ■ 2022

CHBN markets grew across-the-board



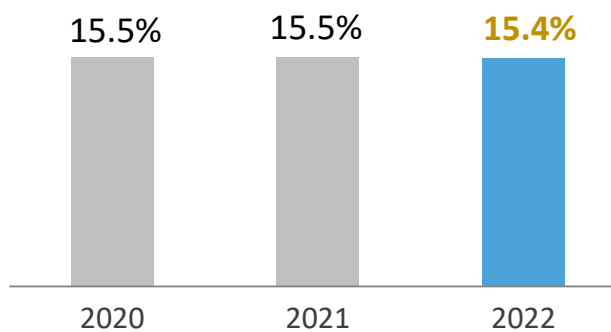
Profitability continued to grow

Growth in net profit



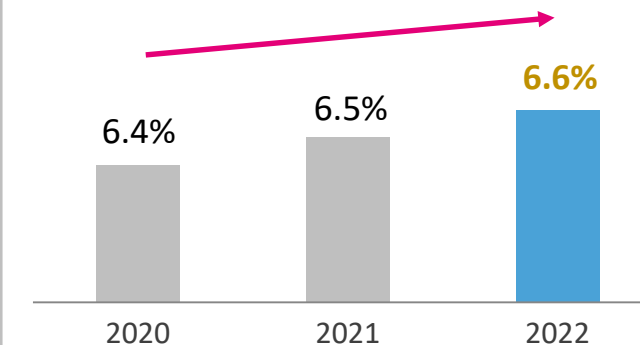
Net profit as % of service revenue

Remained stable at a persistently-high level



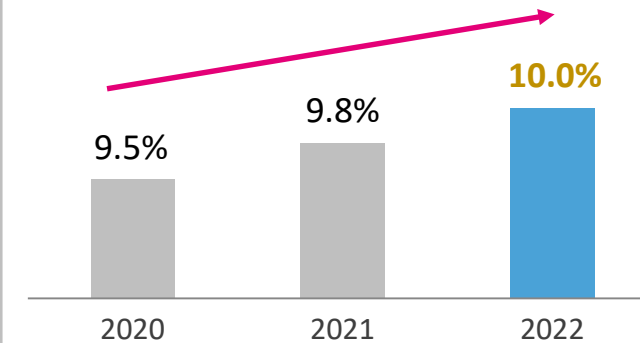
Return on investment continued to rise

Return on assets (ROA)



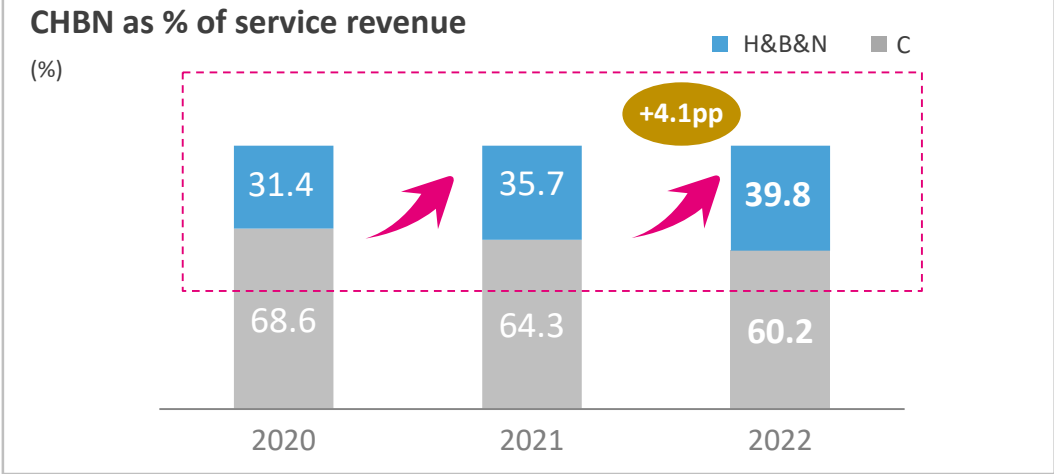
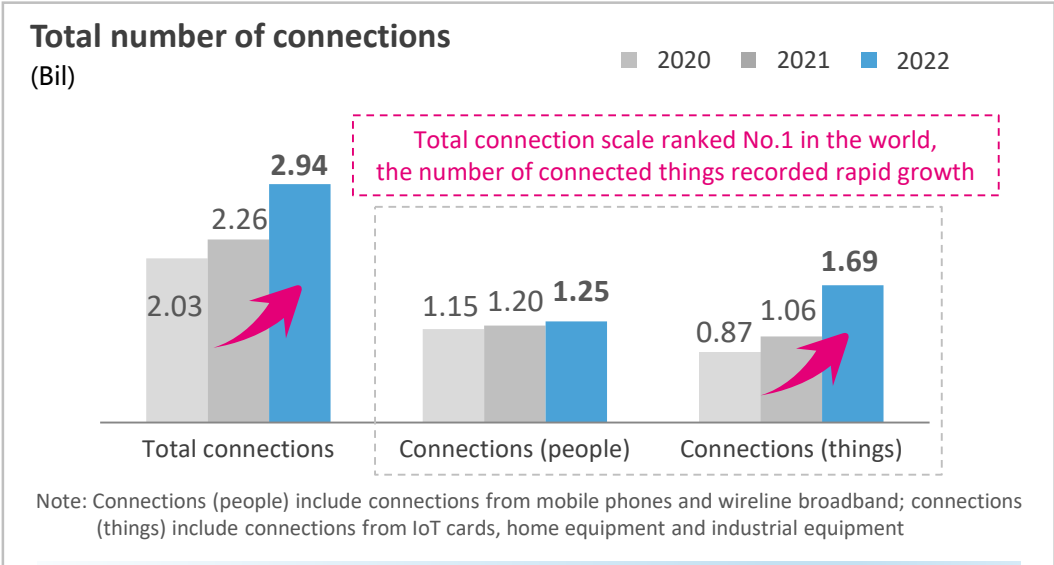
Return on equity (ROE)

Achieved growth at a persistently-high level

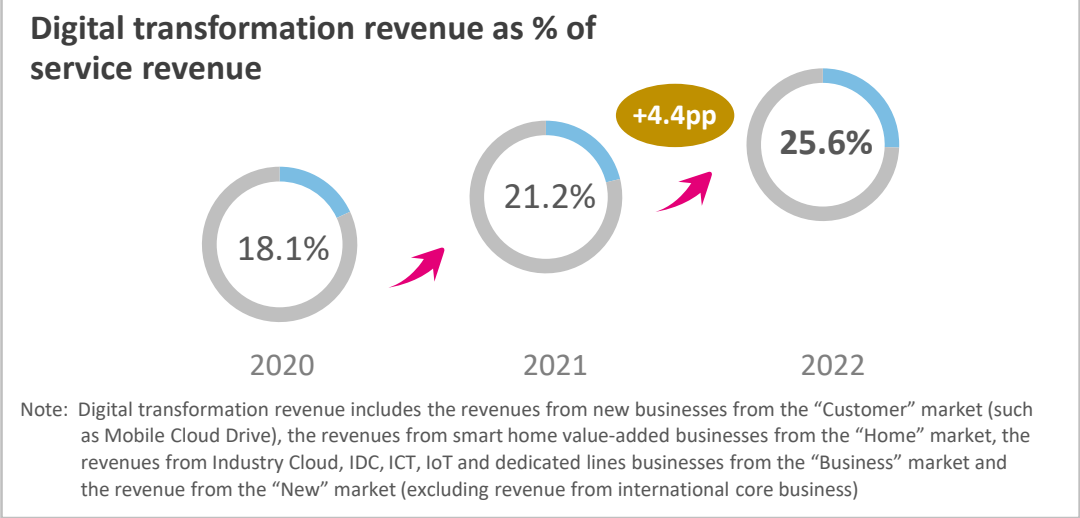
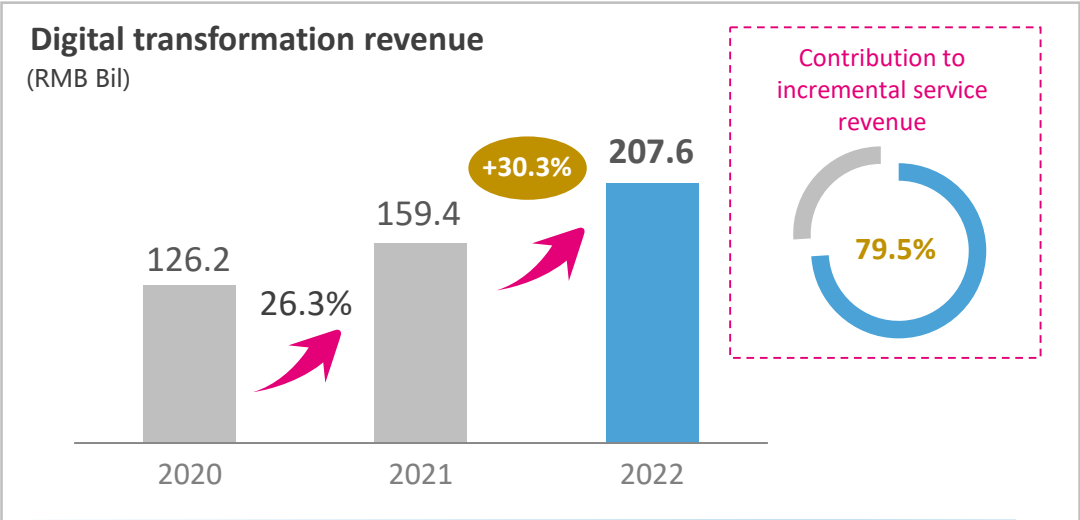


Business Transformation Achieved Remarkable Results: Optimised Revenue Structure with Robust Growth Momentum

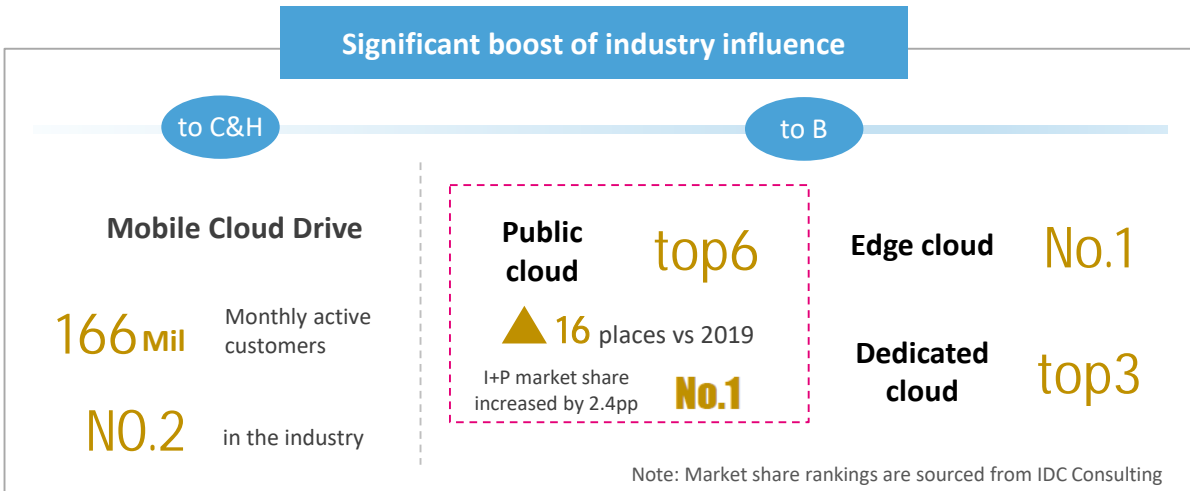
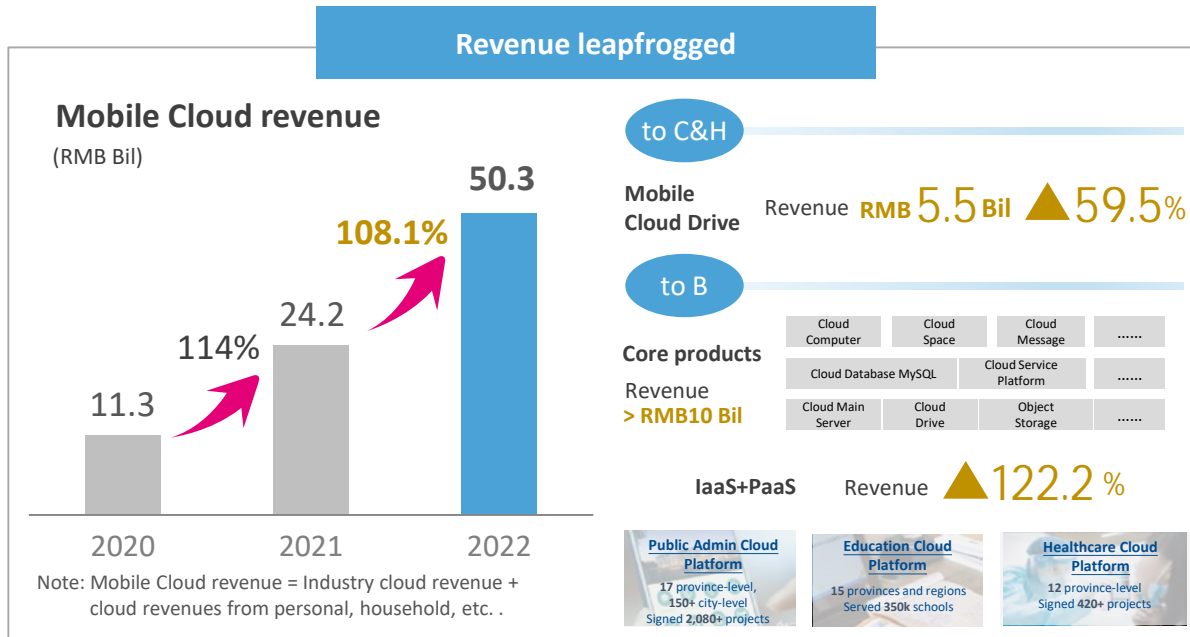
Rapid growth in connection scale and a more balanced, stable and healthy revenue structure



Digital transformation services as the “second curve” continued to grow revenue



Business Transformation Achieved Remarkable Results: Top-tier Player in the Mobile Cloud Market

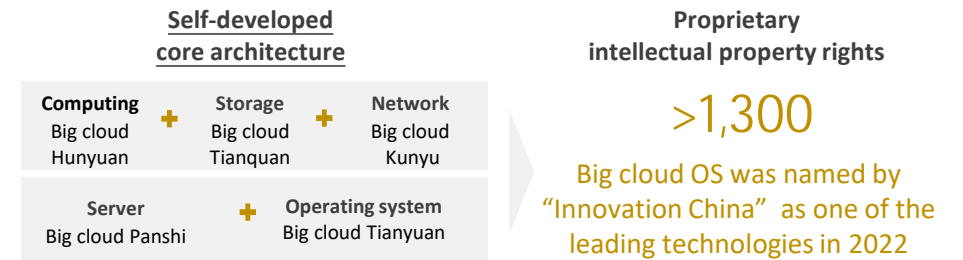


Continuously strengthening resources, capabilities and ecosystem

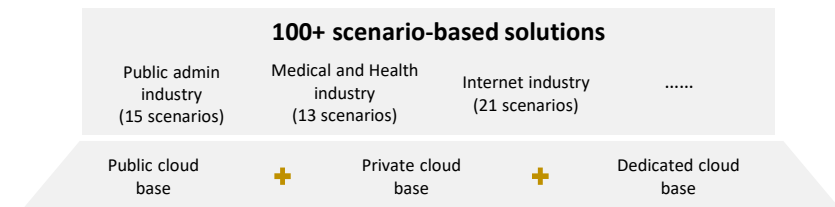
Industry-leading service access across all platforms with "seamless cloud-network connection"

Scale computing force scenario	Near-site computing force scenario	On-site computing force scenario
4 hotspots 21+ central nodes	15+ provincial and municipal nodes 1,000+ edge clouds	Full-stack dedicated cloud Edge smart small stations
8 3AZ high-quality resource pools	Diversity of one-point access resources to the cloud	No.1 in the industry

Independent and controllable core technology with industry-leading computing network evolution



Diversified and versatile integrated Mobile Cloud in a compatible and open industry ecosystem



Accelerated Build-out of the “Two New Elements”: Comprehensive Leadership in “Dual Gigabit” Premium Network

Enlarged and consolidated 5G leadership

The largest network in the world

Put into use (accumulative) **1.285 Mil** 5G base stations ▲ **548k**

Including: **480k** 700MHz base stations (accumulative)

Provided services to **330 Mil** 5G network customers ▲ **120 Mil**

Ongoing leadership in network quality

Continuous coverage across urban districts, counties, towns and villages nationwide

Effective coverage of key scenarios, key regions and developed rural area

First operator to complete the landmark R17 Redcap technology trial

Autonomous networks reached L2.85 level

First operator to commercialise VoNR in the industry

Industry-leading satisfaction with 5G network quality

Co-construction and sharing

Multi-band coordination

Centralised and efficient operations

Leading technologies

Omnipresent intelligence

Strong support to business growth

Established the world's largest 5G SA network

Intensively constructed cloud-based core networks

Achieved end-to-end SPN full coverage in cities, counties & districts by regions & scenarios

5G network handset data traffic

▲ **211.1%**

5G industry commercial use cases

> **18k**

Enhanced broadband network capability and quality

Precisely built out the full-fiber gigabit broadband network

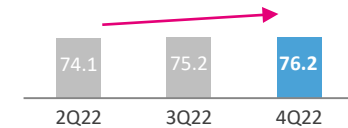
100% OLT platforms in urban areas boast gigabit capability

90% OLT platforms in townships and villages boast gigabit capability

Households with gigabit broadband coverage

260 Mil ▲ **130 Mil**

Satisfaction with quality of household broadband Internet access

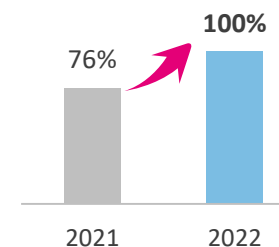


Continuously improved the capability and quality of corporate dedicated lines

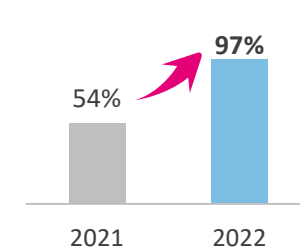
Bandwidth of corporate dedicated transmission network

> **74.7 Tbps**

OTN coverage in business hotspots of the year



Thick coverage at gold-rated buildings of the year



Accelerated Build-out of the “Two New Elements”: Optimised CFN Planning with Faster Value Generation from Capabilities

Steadily constructed computing force network

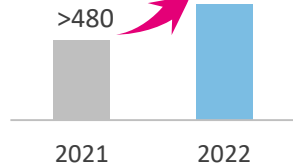
Continued to refine the intensive and hierarchical structure of data centers

4 (hotspot regions) + N (central nodes) + 31 (provincial nodes) + X (edge nodes)

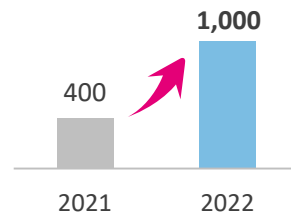
IDC cabinets available
for external use **467 k ▲ 60k**

Rapidly enhanced the diversity of computing resource capabilities

Accumulative number
of cloud servers for
deployment
(k)



Edge cloud nodes
(nodes)



Scale of computing
capacity

8.0 EFLOPS
▲ 2.8 EFLOPS

Continuously strengthened high-speed intelligent CFN

Fully interconnected network between Mobile Cloud central nodes
and between east/west computing hub nodes

Cloud dedicated network
covered **304** cities

Strengthened capabilities of Underlay
and Overlay networks

Turned CFN from a conceptual prototype into an industry deployment

1 Pilot CFN **10** key technologies **>30** Scenarios verifications

Rapid development of capability middle platform

Business capability

Accumulate common business capabilities



Data capability

Integrate internal and
external data resources

Technology capability

Gather general technology
capabilities

Supported the broader goal of empowering cloud migration, digitalisation
and intelligent transformation across society and achieved breakthroughs

Middle platform capabilities

Average No. of
deployments per month

An accumulative of **889** items

13.74 Bil times ▲ 68.4%

Value generated by capabilities

Cost reduction

FY2022 > **RMB 10 Bil**

FY2022 > **RMB 3.8 Bil**

Accelerated Build-out of the “Two New Elements”: Breakthrough in Information Services Offering

Key products achieved notable results

to C&H&N

to B

6 products with customer bases ranked **No.1 in industry**

Video-Connecting Tones, Cloud Games, MIGU Reading, “Big-screen” VoD, Home Security, Mobile Authentication

13 products with respective customer bases of **over 100 Mil**

Mobile ARPU ▲0.4%, Household customer blended ARPU ▲5.8%

5 products with respective revenues of **over RMB10 Bil**

Mobile Cloud, IDC, IoT, Dedicated lines, Corporate SMS & MMS

Industry-leading number of commercial use cases for the expansion of 5G industry

“Business” market revenue ▲22.6%

Breakthroughs of computing force products

Mass market: 5 key products with computing force upgraded

Launched new computing terminal products



“Business” market: built out a comprehensive CFN product system

Introduced task-based services, Upgraded cloud dedicated lines and cloud Internet



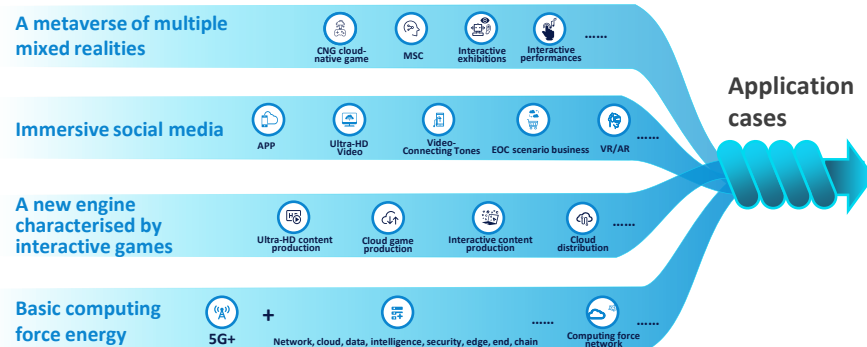
Accelerated the build-out of “computing force faucets” in the mass market

Intelligent computing force, One-point access, Ready-to-use

Proactively devised plans for development of metaverse

Metaverse: China Mobile’s MIGU Evolution Route

Promote, support and strengthen real economy with digitalisation
Integrate digitalisation with reality



Self-control Instant interaction

Winter Olympics Ice and Snow Metaverse



Meet GU
The first hyper-realistic and digital-intelligent influencer in the Olympics
Perfect replication of real people
3D face fitting accuracy
Fully automated facial expressions
Immersive, real-time and interactive experience

Free exploration Real-time online access

Interactive Culture & Tourism Metaverse



Gulangyu Island
“The first island in metaverse”
5G+T.621+AR technology capabilities
Launched China’s first Metaverse AR Night View Show at the World Heritage Site
The sea area spans 6.5 km and covers an area of over one million square meters

AI services with sound foundation



Leading computing force infrastructure



Powerful computing network core capabilities



Massive data resource reserves



Broad range of AI applications

Sci-tech Innovation Bore Fruit

Policy Support

Innovations in mechanism

Created a “special zone” for scientific research

Nurtured key research teams

New R&D institutions with diversified investment subjects

Innovations in system

Joint venture + New R&D cooperation system

“T-H-T” expert system

Resource Support

R&D investment

RMB 21.7 Bil ▲ 17.0%

Attracting talents

“Golden Seed Program” for outstanding college graduates

“Elite Program” for high-level, experienced talents from the workforce

Notable results in developing strategic technological capabilities

- Granted approval from the Ministry of Science and Technology to build the “National Open Innovation Platform for Smart Network New Generation Artificial Intelligence”
- Made significant headway in core technologies, including basic chips and IoT operating systems, and **successfully developed various home-made proprietary products**
- 5G innovation consortium facilitated the integrated innovation of 5G technology across diverse industries

Hub of original technology

5G and next-generation mobile communications

Systematic AI

Leadership in the modern mobile information industry chain

Key industry partners **>1,000**

Multi-chain integration engaging innovation, supply and capital

An industry leader in patent and standards setting

5G international standards-setting projects led (accumulative)

197

5G patent applications

>4,100

5G standard contribution

Top-tier among global operators

- Led the development of 5G evolutionary standards, accelerated the evolution of 5G technology towards network intelligence, communications and experience integration, and space-ground integration
- Developed CFN standards from scratch and became one of the top-tier industry players, co-founded the world’s first CFN open-source community**
- Released the world’s first systematic 6G network architecture, and started to show influence globally

Significant breakthroughs in digital-intelligent core technology

Cloud computing, edge computing

Industry-leading technological architecture, storage technology

AI 

Blockchain

Over 20 benchmark applications including digital collections, inter-operator settlement and the “carbon peaking and carbon neutrality” initiative

Core AI Capabilities **372**

Positioning

Platform services stayed at the industry forefront, featuring unique capabilities such as 5G + Beidou short message emergency communication

Video

AVS3.0 and AI real-time subtitles were **first launched** at the Beijing 2022 Winter Olympics, and digital-intelligent sign language hosts were debuted at the World Cup

Continuously Extended Open Collaboration

Solidly promoted organisational changes and mechanism reforms



Extended organisational reforms to support the growth of information services

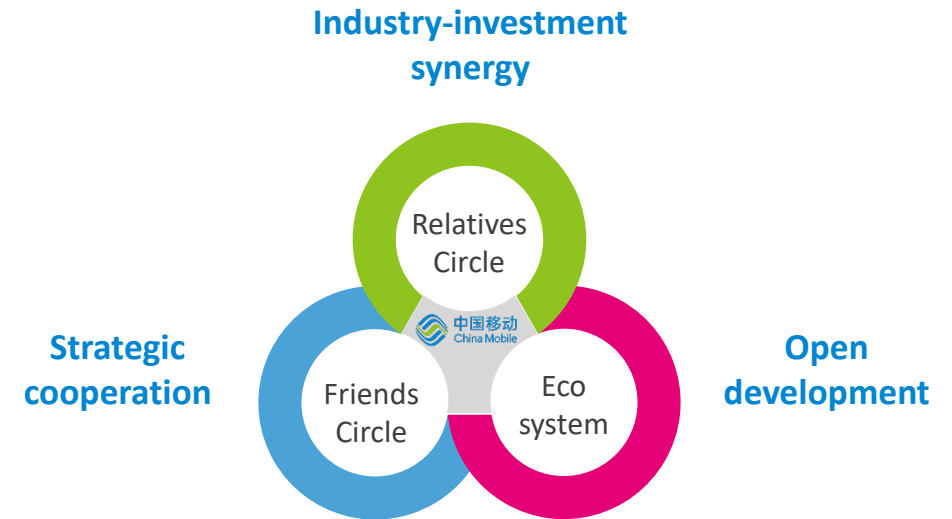
- Established two shared service centers and formed five new capability institutions, including an intelligent computing company (Fanxing Zhisuan) and a data center in Shanghai
- Upgraded pan-terminal and omni-channel direct sales system, and advanced frontline grid operation reforms, thus boosting overall productivity
- Optimised the system for the industry development for the “Business” market by forming designated mechanisms for tapping into key sectors, segments and major projects



Promoted mechanism reforms to stimulate growth vitality of the enterprise

- Adopted a systematic approach to improving governance, staff deployment and incentive mechanisms, strengthened the development of subsidiaries’ boards, better managed the tenure and contracts of staff members at managerial level
- Furthered the “Double-hundred Action” and the national reform program that encourages select Chinese technology companies to implement market-oriented reforms. Three subsidiaries were newly added to the program
- Actively and prudently explored mixed-ownership reforms, with Xinsheng Tech successfully attracting strategic investors and implementing an employee share ownership scheme
- Deepened incentive mechanism reforms and upgraded the tailored incentive policies in “special zones”. Rolled out the second phase of share option incentive plan

Extended open collaboration with continuous growth in the ecosystem



Aggregated the industrial chain
Strengthened the innovation chain
Leveraged the capital chain

Drove the supply chain
Built the ecological chain
Enhanced the value chain

Group-level strategic partners

96

Enterprises with equity stakes

31

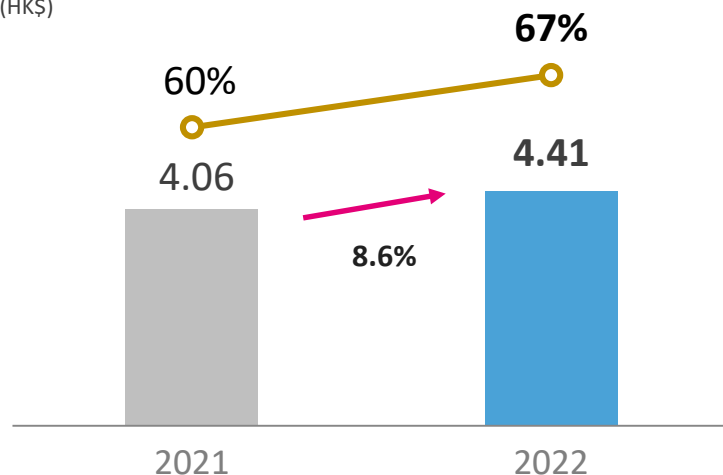
Industrial ecosystem partners

>300k

Dividend Payment Continued to Increase

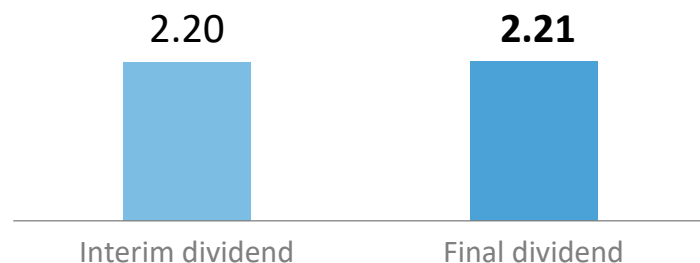
Dividend per share

(HK\$)



Interim and final dividend per share for 2022

(HK\$)



Dividend Policy

The Board recommends a dividend payout ratio of 67%¹ for the full year of 2022. It also recommends a final dividend payment of HK\$2.21 per share² for the year ended 31 December 2022. Together with the interim dividend of HK\$2.20 per share already paid, total dividend for the full year of 2022 amounted to HK\$4.41 per share, an increase of 8.6% from that of 2021

To create higher returns for our shareholders and share the results of our operating gains, after giving full consideration to the Company's profitability, cash flow generation and future development needs, the profit to be distributed in cash in 2023 will increase to 70% or above of the profit attributable to equity shareholders of the Company³ for that year. The Company will strive to create more value for shareholders

Note:

1. The exchange rate is determined by the mid-price of HK\$ to RMB as announced by the People's Bank of China at the end of 2022
2. Dividends will be denominated and declared in HK\$, of which dividends on A shares will be paid in RMB at an exchange rate calculated on the basis of the average of the mid-prices of HK\$ to RMB as announced by the People's Bank of China during the one week prior to the date of the annual general meeting, with the exact amount to be announced before the annual general meeting; dividends on Hong Kong shares will be paid in HK\$
3. The basis of profit distribution of the Company is the profit attributable to shareholders under IFRS

Implement Business Strategies Steadily for Long-term Success

Further developments of bit-to-watt conversion, watt-to-bit conversion and bit-watt integration

Changes and reshaping taken place in the business and market landscape of the information services industry

Opportunity: Vast space for digital economy

Challenge: Increasingly complex competition

“1-2-2-5” strategic direction

Anchor the position of “World-class information services and sci-tech innovation enterprise”

Speed up
the **shift** from quantitative leadership based on scale to **qualitative leadership** focused on improving effectiveness and efficiency

Speed up
the **shift** from delivering business results in the short-to-mid-term to achieving value growth in the mid-to-long-term

Systematically build
a **new** information infrastructure centering around 5G, computing force network and capability middle platform

Innovatively create
a **new** information services system equipped with "connectivity + computing force + capability"

Innovation
benefits

Customer
recognition
benefits

Reforms
benefits

Talent
benefits

Ecosystem
benefits

02

2022 Operating Performance

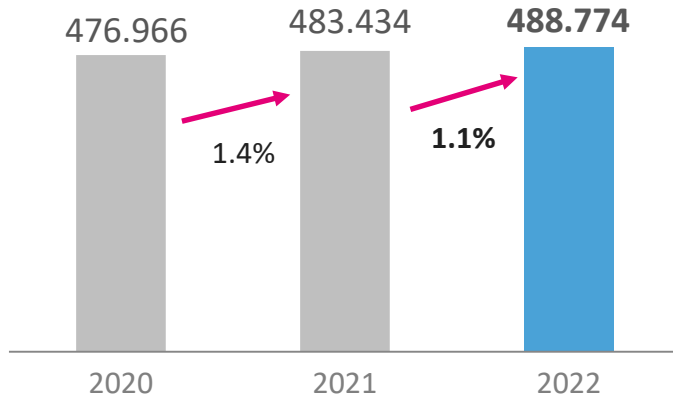
Comprehensively Achieved 2022 Operating Targets

(RMB Mil)	2022	Change YoY	As % of service revenue
Service revenue	812,058	8.1%	100.0%
C: “Customer” market revenue	488,774	1.1%	60.2%
of which: wireless data traffic	386,025	0.7%	47.5%
H: “Home” market revenue	116,614	16.0%	14.4%
of which: smart home value-added business revenue	29,731	43.4%	3.7%
B: “Business” market revenue	168,184	22.6%	20.7%
of which: DICT	86,431	38.8%	10.6%
of which: Industry cloud	41,238	114.5%	5.1%
N: “New” market revenue	38,486	26.9%	4.7%
of which: international business	16,663	25.4%	2.1%
digital content	21,314	27.2%	2.6%

“Customer” Market Integrated Operations Generated Stable-to-rising Growth

“Customer” market revenue

(RMB Bil)



Accelerated growth in both scale and quality of 5G

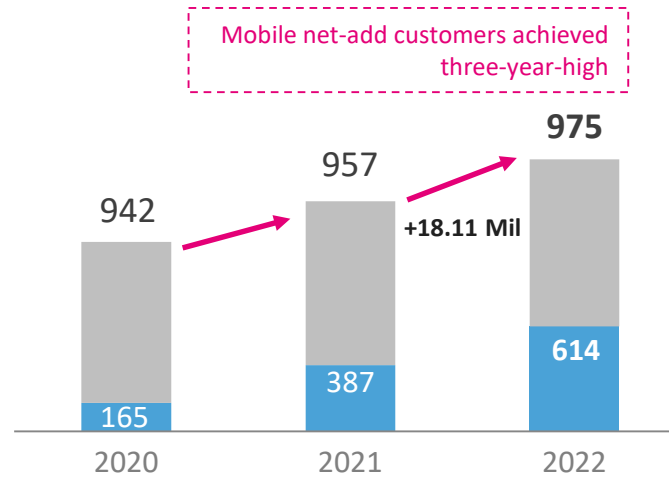
Penetration rate of 5G package customers **63.0%**
▲ 22.6pp

5G ARPU **RMB 81.5**

5G DOU **24.7 GB**

Mobile customers

(Mil)



Integration of customer benefits and operations led to dual uplift in scale and revenue

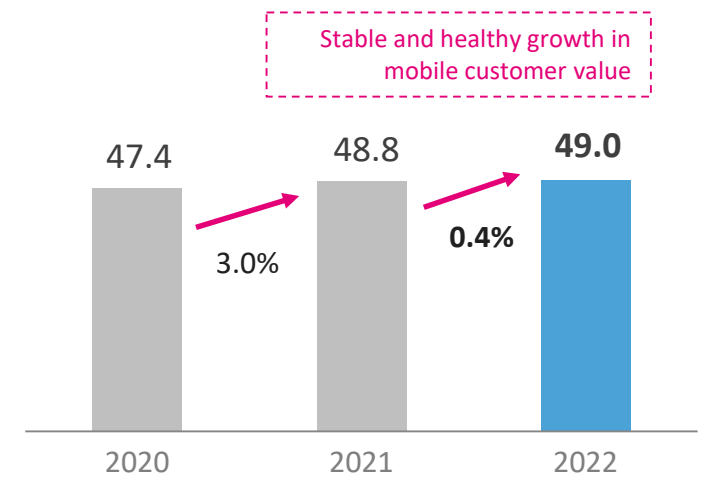
Customers using benefit products **287 Mil**
▲ 96.43 Mil

Revenue generated from benefit products **RMB 16.3 Bil**
▲ 66.6%



Mobile ARPU

(RMB/user/month)



Increased contribution of digital products

Contribution to Mobile ARPU **RMB 5.1** ▲ 41.2%

Fostered higher customer stickiness

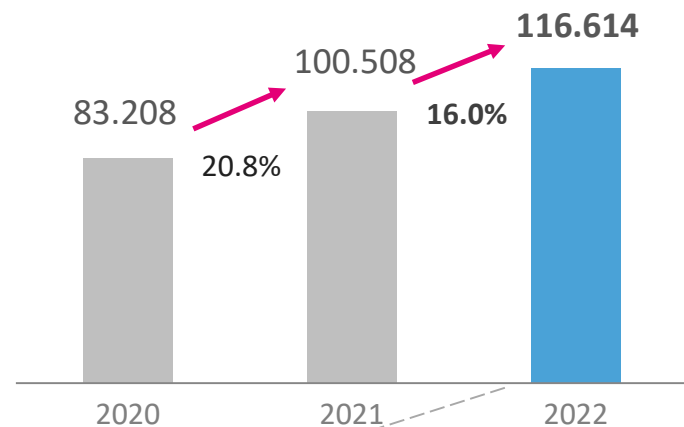
Average churn rate of active customers (products) **only 0.3%**
Lower than the overall churn rate by **0.9 pp**



“Home” Market Value-oriented Operations Drove Rapid Business Expansion

“Home” market revenue

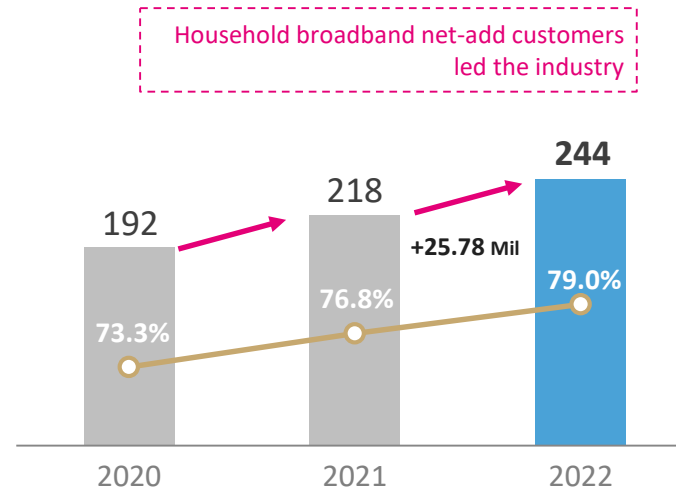
(RMB Bil)



Household broadband customers

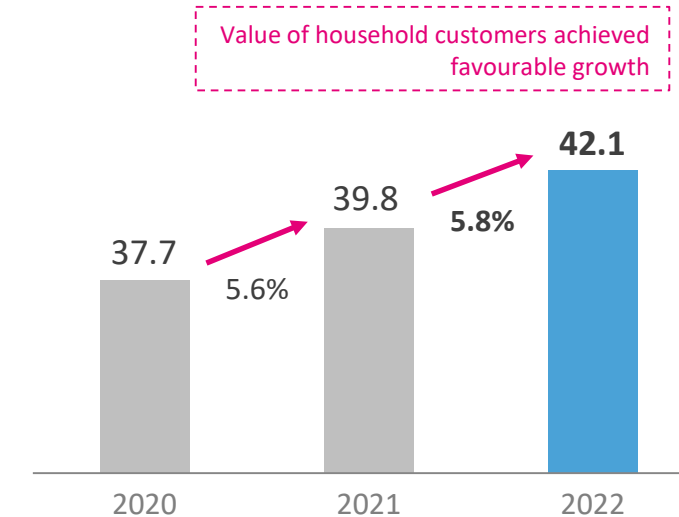
(Mil)

—●— Mobile HD penetration rate



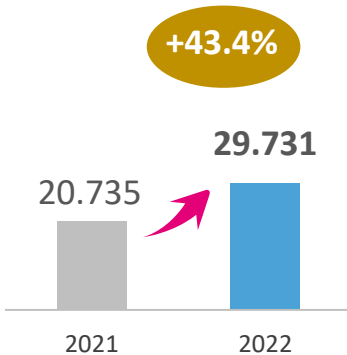
Household customer blended ARPU

(RMB/user/month)



Smart home value-added business revenue

(RMB Bil)



Leadership in broadband services, driven by gigabit broadband

Gigabit broadband customers

38.33 Mil ▲ 145.8%

Gigabit broadband net-add as % of overall household broadband net-add

> 88%

Accelerated applications of FTTR new technology and scenario-based broadband

Huge space in gigabit upgrade

Leadership in TV services, driven by content

Mobile HD customers

193 Mil

▲ 25.11 Mil

Mobile HD revenue

RMB 25.2 Bil

▲ 33.6%

Broadband TV + Digital Cinema + Vertical Content

Leadership in smart home services, driven by innovation

Smart home network deployment customers

▲ 67.7%

Home security customers

▲ 71.2%

HDICT benchmark showcases

2,978

Proactively developed integrated HDICT solutions for new application scenarios



Digital village



Smart community



Smart household

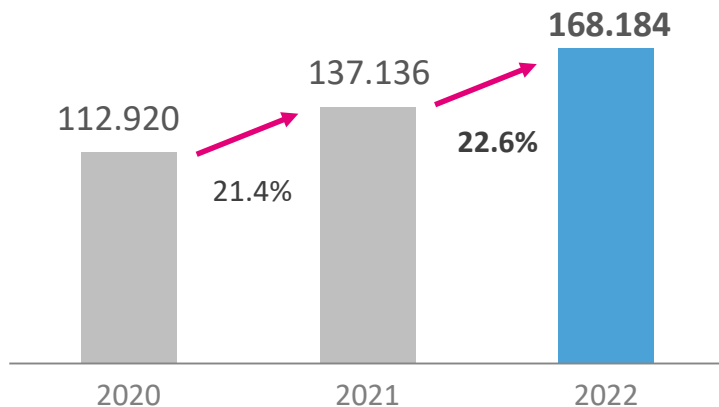


Smart car interior

“Business” Market Bolstered Capabilities Fueled Strong Momentum

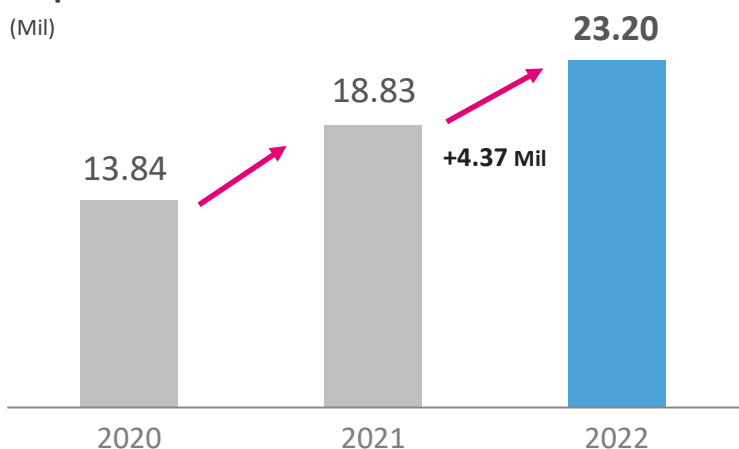
“Business” market revenue

(RMB Bil)



Corporate customers

(Mil)



Industry-leading 5G to empower a plethora of industries

Smart factories In operation 2,300+ SME >80%	Smart grid Close cooperation with 2 major power grids 400+ signed projects
Smart mining Covering 26 provinces In operation 370+	Smart healthcare Partnered medical institutions 2,000+ Pilots with two ministries 400+
Smart city Covering 31 provinces Signed 4,900+ projects	Autonomous driving Built 10+ showcase areas National Strength in Transportation 5G+ V2X pilot unit

Value of 5G DICT contracts for FY 2022

RMB 36.5 Bil

5G dedicated network revenue

RMB 2.55 Bil ▲ 107.4%

Continued to enhance planning of key areas

IoT Revenue RMB 15.44 Bil ▲ 35.5%

 Big Data

Revenue RMB 3.18 Bil ▲ 96.1%

Standard big data products for network-wide commercial trials

Wutong Risk Control Wutong Outreach Wutong Insight

 Security

A strong alliance with industry partners to build a distinctive security product system

1 + 4 + N

Capability foundation Product Categories Solutions

Accelerated moves to develop the IoV market (to V)

IoV connections >200 Mil

Share of new energy vehicle connections No.1 in the Industry

Exclusive “As you wish” entertainment products
Video Music Karaoke Cloud Games

Innovative “center-region-site” three-level CVIS cloud control platform architecture

Redoubled efforts to tap into the digital government market (to G)

Building a “digital government expert” image

Remarkable results in landmark digital government solutions projects

Accumulative contract amount of digital government projects RMB 20 Bil

IDC Revenue RMB 25.35 Bil ▲ 17.2%

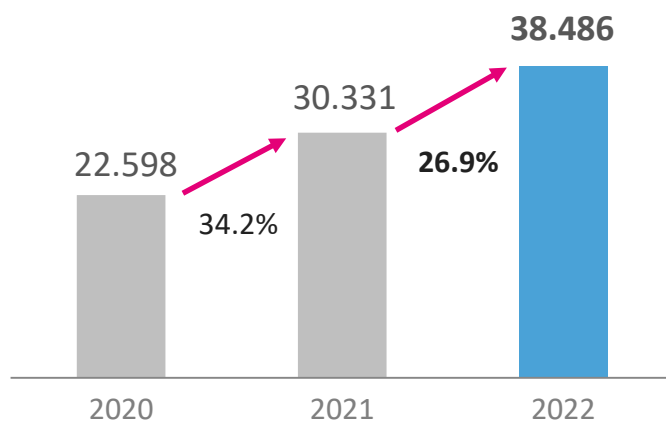
CDN Revenue RMB 2.73 Bil ▲ 11.2%

ICT Revenue RMB 19.27 Bil ▲ 33.7%

“New” Market Innovative Strategy Supported Very Rapid Growth

“New” market revenue

(RMB Bil)



(RMB Bil)	2022	Change YoY
International business	16.663	25.4%
Digital content	21.314	27.2%
FinTech	0.509	79.9%

International business

International / Hong Kong, Macau and Taiwan roaming services covered 264 locations and 5G covered 60 locations, leading the world

Upgraded global network deployment on “Information Highway, Information Station and Information Island”

Total international transmission bandwidth 123 Tbps

Overseas 230 POP points

Non-domestic 12,100 self-owned IDC cabinets

Financial technology



Industrial chain finance

Business scale

> RMB 50 Bil

Upstream and downstream partners served

> 600



“and-Wallet”

Monthly active customers

▲ 59.0%

Digital content



Migu Video

Monthly active users across all platforms

▲ 67.1%

Marketing campaigns around 5G Winter Olympics and metaverse World Cup gained high recognition



Video Connecting Tones

Subscribers

> 340 Mil



Cloud Games

Monthly active users across all platforms

> 120 Mil

Equity investment

Value contribution Ecosystem formation Synergy creation

Leveraged capital ties, promoted the mutual empowerment of capital and business

Network security

Industrial Internet

AI

.....

Visual IoT

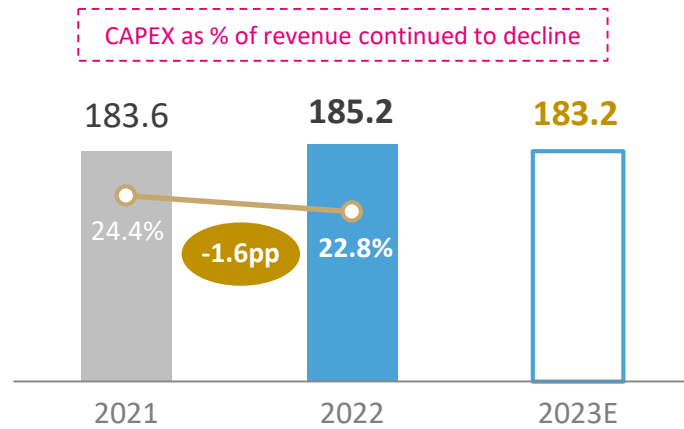
Industrial automation

Financial technology

Make Precise Investments, Reinforce Digital Intelligence Foundation Achieve Breakthroughs amid Headwinds, Accelerate Innovation and Upgrades

CAPEX (RMB Bil)

— CAPEX as a percentage of service revenue



Major areas of CAPEX

(RMB Bil)	FY2022 (Actual)	FY2023 (Planned)
Connectivity	117.1	102.9
Of which: 5G-related	96.0	83.0
Computing force	33.5	45.2
Capabilities	13.4	14.1
Basic	21.2	21.0

Plan to **put into use** (2023, **accumulative**)

5G 5G base stations **1.645 Mil**
▲ **360k**

Plan to **newly construct** (2023)

Gigabit Broadband Households with gigabit coverage **100 Mil**

Plan to **newly deploy** (2023)

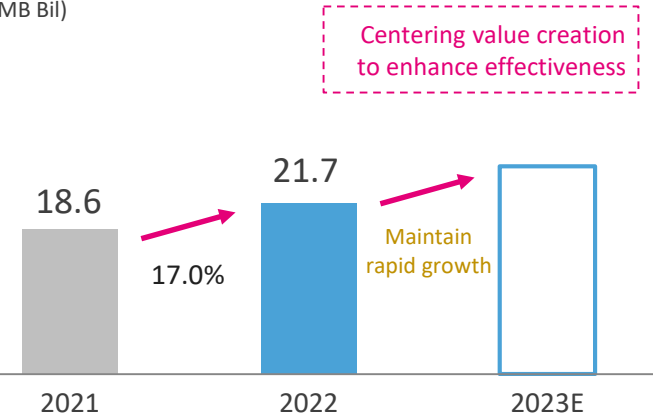
CFN Cloud servers **>240k**
IDC cabinets available for external use **> 40k**

Plan to **achieve** (2023, **accumulative**)

Capability middle platform Number of capability items **1,200**
Number of capability deployments **360 Bil**

R&D investment

(RMB Bil)

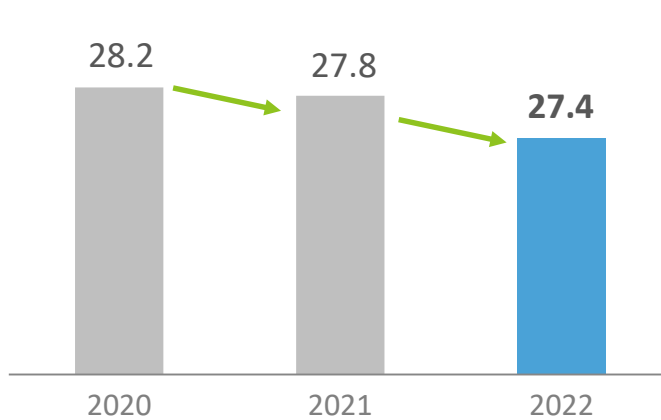


Accelerate upgrade of sci-tech innovation, embracing originality and pioneership

- Guided by national strategy and development needs of the industry chain, make full use of our principal role in driving innovation and join hands with industry partners to achieve critical technological breakthroughs and develop original technologies
- Focus on strategic platforms and products centering around “new infrastructure, new elements and new momentum”, strengthen basic research and expedite the breakthroughs and upgrades of key capabilities related to digital intelligence

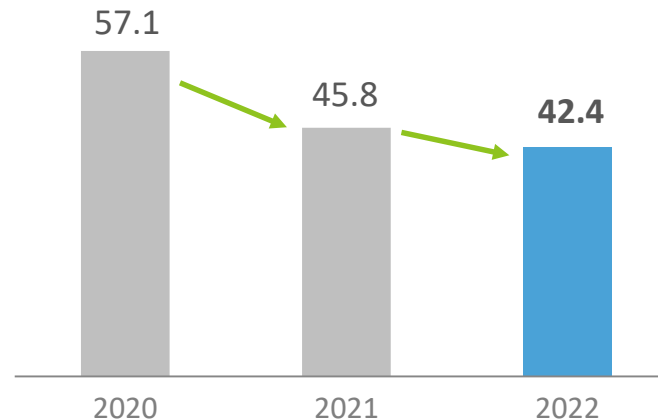
Strengthened Scientific Management, Continuously Enhanced Resource Efficiency

Service charge per tower
(*On a comparable basis,
RMB thousand/station/year)



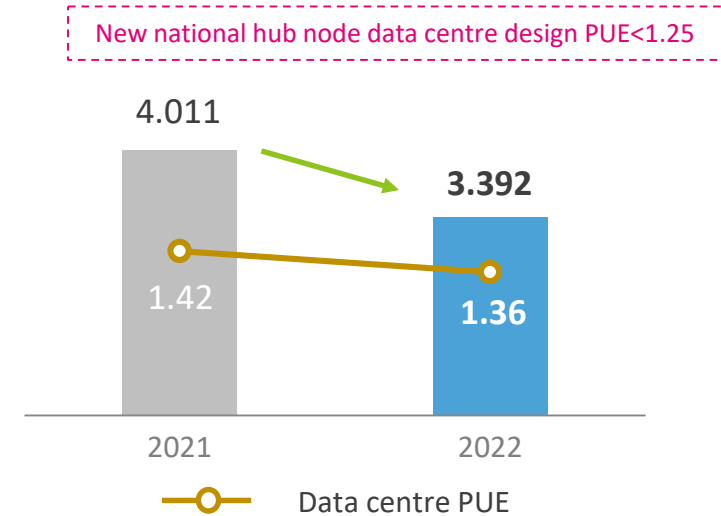
- Constructed new 5G base stations with priority given to performing upgrades on existing sites and increased the proportion of C-RAN technology
- Enhanced site planning using a scientific approach to increase sharing rate
- Applied digital-intelligent methods to strengthen checking and inspection

Maintenance fee per household customer
(RMB/household/year)



- Established a hierarchical and classified management system for network operation and maintenance costs to strengthen unit cost management
- Improved self-maintenance capability and reduced the proportion of outsourcing
- Strengthened internal benchmarking, identified best practices and maximised efficiency

Carbon emissions per unit of total telecommunications services
(kg CO₂/RMB Mil)



- Implemented scientific planning and conducted comprehensive controls involving all processes and strictly monitored energy consumption
- Widely adopted smart energy-saving technologies to build green and secure data centers

*Note: excluding the impact of IFRS16

Proactively Fulfilled Corporate Responsibility and Set a Benchmark for ESG Performance

Deepened green development

Green operations

- Energy saving in 5G network equipment, base stations, and network
- Newly built large- and mega-scale data centers with PUE (power usage effectiveness) capped at 1.3

Green supply chain

- Institutionalised green procurement standards, further promoted green packaging and logistics and the use of paperless contracts

Support energy conservation and environmental protection in the broader community

- 5G empowered multiple industries to improve energy and production efficiency, helping to achieve low-carbon smart revolution

Seven consecutive years

**Awarded the Leadership Level of CDP
Global response to Climate Change**

Fulfilled social responsibility

Successfully Implemented tasks in emergency communications and network security

- Successfully completed telecommunications and cybersecurity missions for large-scale events
- Created a healthy and safe communications environment

Progressed digital-intelligent village revitalisation plan

- Progressed digital-intelligent village revitalisation plan to empower the modernisation and intelligent transformation of agriculture and of rural areas

Served for regional coordinated development

- Centering around new regional infrastructure, integrated information service supply and new sci-tech innovation capabilities, seized the benefits of digital economy and helped improve quality development capabilities

Enhanced governance level

Further improved corporate governance mechanism

- Adhered to policies to maintain board member diversity and ensured the independent non-executive directors contribute their respective experience and expertise

Continuously improved compliance capabilities

- Continued to deliver in-depth and solid work on compliance management, integrated the concept of compliance into all processes and areas of operations management, and wove compliance management into high-quality business development

Continued to strengthen risk and internal control management system

- Strengthened risk prevention and control over key areas, enhanced risk detection ability and the results of risk management and control



**Received the 4th ESG Leading Enterprise awards jointly held by
Bloomberg Businessweek/Chinese Edition and Deloitte**

Strive for Better Performance in 2023

Major plans

- Focus on core businesses and further promote value-oriented operating practices based on scale
- Focus on transformation with innovative initiatives to drive the “Two New Elements” (i.e.: new information infrastructure and new information services system)
- Focus on products with strengthened capability to provide high-quality information services
- Focus on service to enhance customers’ sense of gain and satisfaction
- Focus on efficiency with stepped-up efforts to increase revenue and reduce expenditure, lower costs and enhance efficiency
- Focus on security with heightened risk detection, prevention and control

Continue to achieve favourable growth in revenue and profit

“Customer” Market

Consolidate foundation

- Net addition of 130 Mil 5G network customers
- Mobile ARPU maintains stable and healthy growth

“Business” Market

Enhance quality and efficiency

- Net addition of 3 Mil corporate customers
- “Business ” market revenue maintains rapid growth
- Development of 5G vertical industry maintains a leading position

“Home” Market

Extract value

- Net addition of 18 Mil household broadband customers
- Household customer blended ARPU achieves stable and healthy growth

“New” Market

Increase contribution

- Rapid growth in revenue
- Expedite innovate planning and develop high-quality products

03

2022 Financial Performance

Financial Highlights

(RMB Mil)	2021	2022	Change YoY
Operating revenue	848,258	937,259	10.5%
Telecommunications service revenue	751,409	812,058	8.1%
Sales of products and other revenue	96,849	125,201	29.3%
Operating expenses	730,295	808,160	10.7%
Profit from operations	117,963	129,099	9.4%
Interest and other income	16,729	15,729	-6.0%
Income from investments accounted for using the equity method	11,914	10,986	-7.8%
EBITDA	311,008	329,176	5.8%
Net profit	116,148	125,459	8.0%

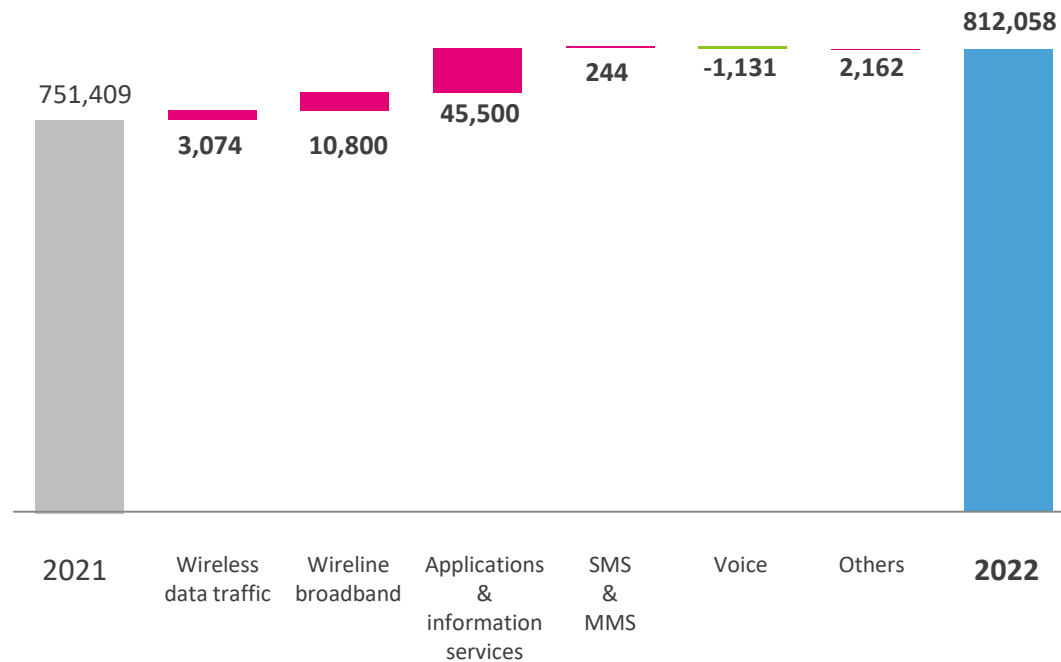
Revenue Growth Overview:

Revenue Related to Business Transformation Continued to Increase

Breakdown of revenue growth of telecommunications services – **by business**

+0.4pp +1.4pp +6.1pp - -0.1pp +0.3pp **+8.1%**

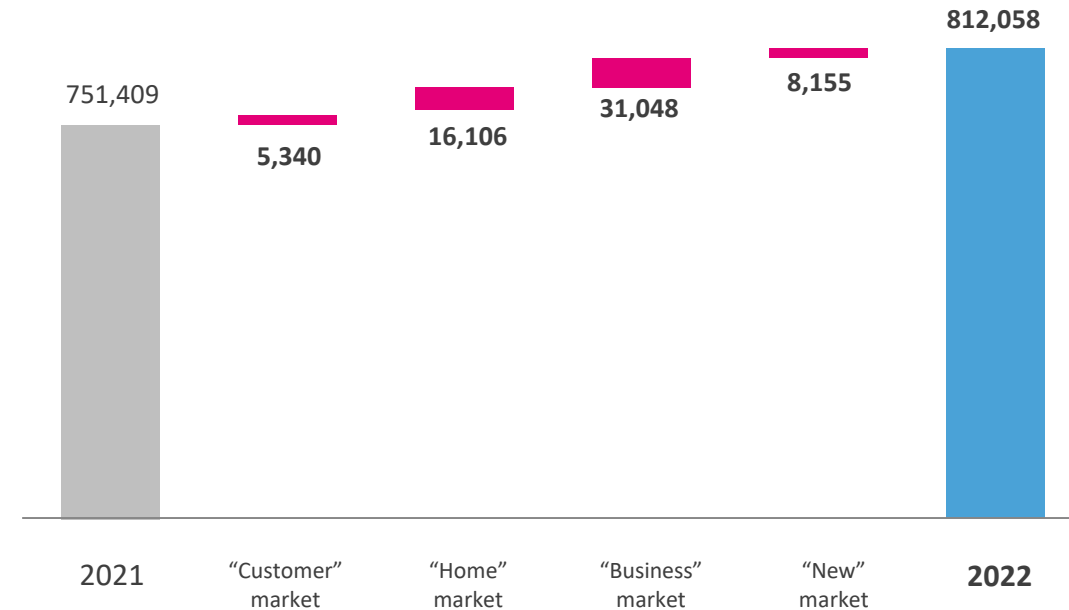
(RMB Mil)



Breakdown of revenue growth of telecommunications services – **by CHBN**

+0.7pp +2.2pp +4.1pp +1.1pp **+8.1%**

(RMB Mil)



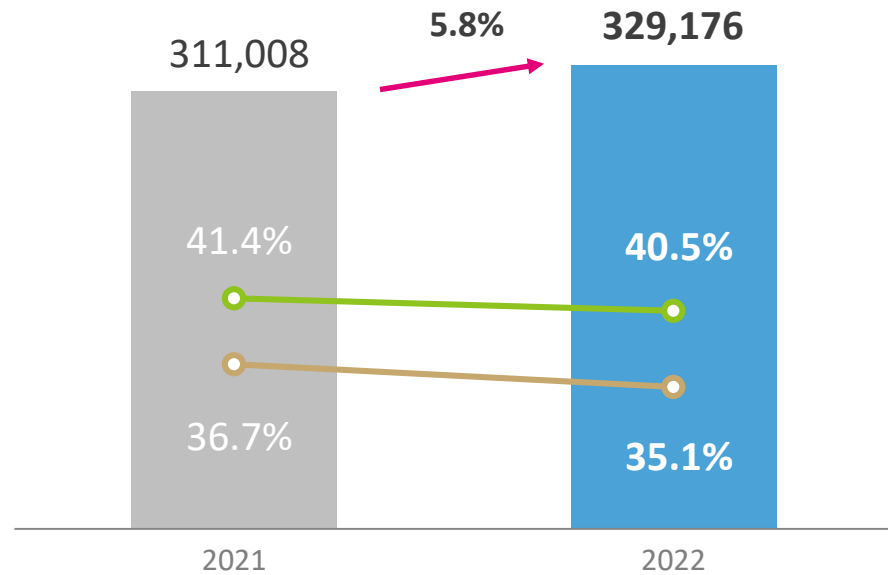
Cost Control Overview: Maintaining Good Cost Control

(RMB Mil)	2021	2022	Change YoY	Major reasons / remarks
Operating expenses	730,295	808,160	10.7%	
Network operation and support expenses	225,010	254,182	13.0%	<ul style="list-style-type: none"> Accelerated construction and commissioning of new information infrastructure, and increased investments to support business transformation Among which, maintenance and supporting expenses amounted to RMB161.3 bil, up by 17.6%; energy consumption expenses amounted to RMB39.8 bil, up by 8.0%
Depreciation and Amortisation	193,045	200,077	3.6%	<ul style="list-style-type: none"> The scale of assets increased due to accelerated network upgrades and business transformation Adjustments were made to the residual value of certain assets in the same period last year
Employee benefit and related expenses	118,680	130,157	9.7%	<ul style="list-style-type: none"> Continued to adjust and optimise the employment structure, and strengthened the external introduction and internal training of digital and intelligent talents
Selling expenses	48,243	49,592	2.8%	<ul style="list-style-type: none"> Enhanced online sales and service capabilities resulting from accelerated transformation of sales channels, and the selling expenses as a proportion of revenue continued to decline
Cost of products sold	96,083	122,743	27.7%	<ul style="list-style-type: none"> Sales of mobile terminals and ICT equipment grew rapidly
Other operating expenses	49,234	51,409	4.4%	<ul style="list-style-type: none"> Continuously strengthened the construction of core capabilities, the level of intelligent operation has been significantly improved, and the cost growth has been well controlled

Profit Overview: Continued Improvement in Profitability

EBITDA

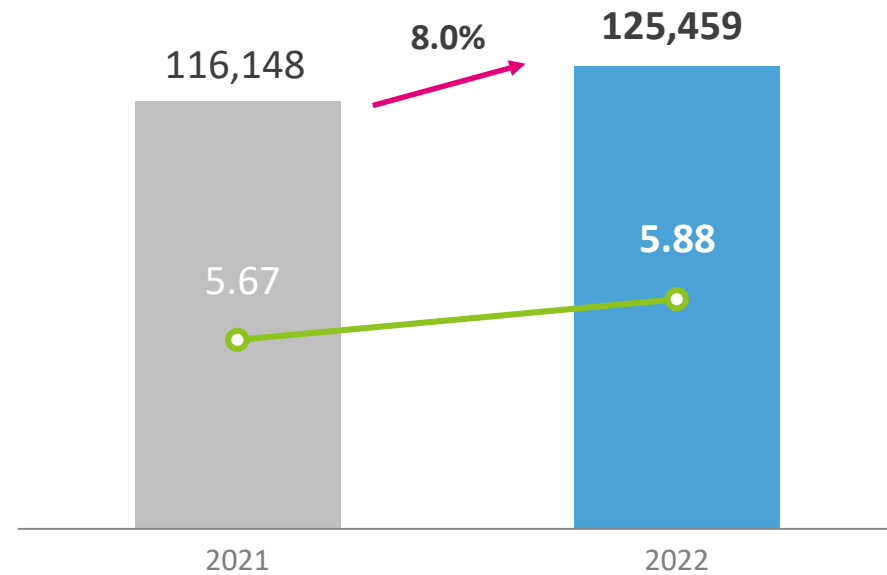
(RMB Mil)



-  EBITDA margin
-  EBITDA / telecommunications service revenue

Net profit

(RMB Mil)

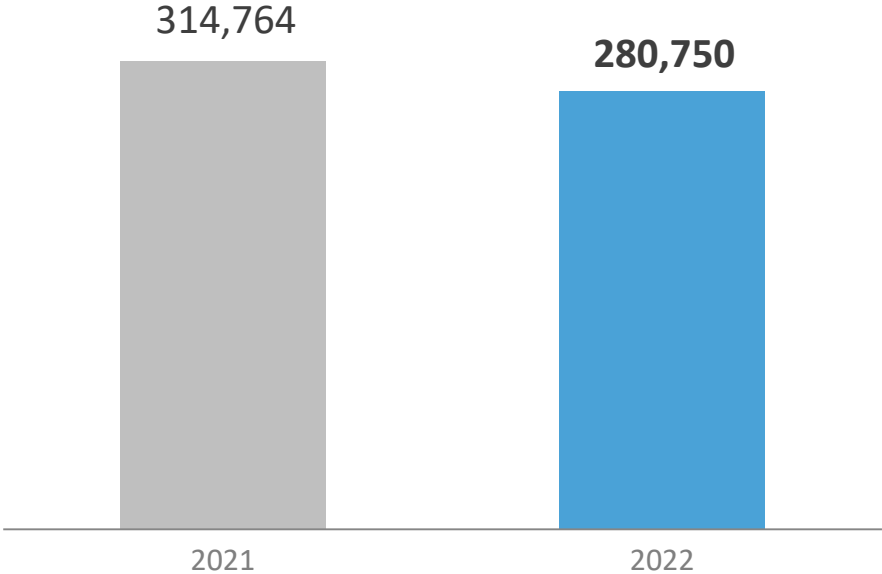


-  Basic earnings per share (RMB)

Cash Flow Overview: Maintaining Healthy Cash Flow

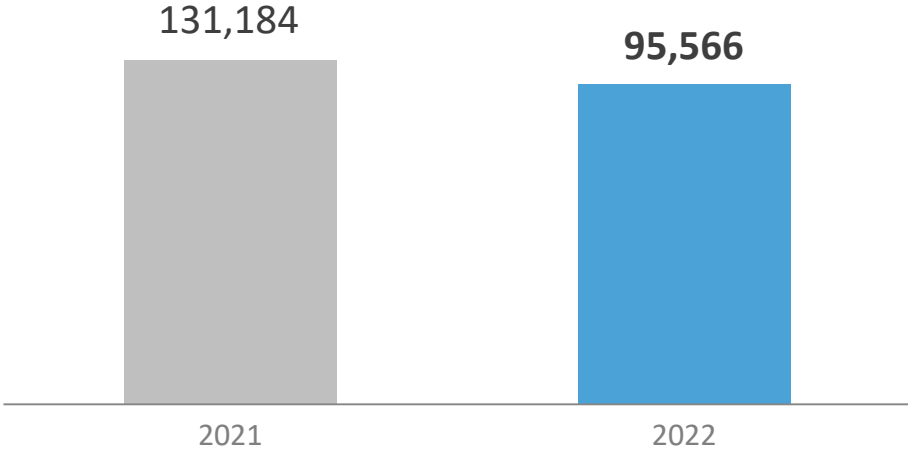
Net cash generated from operating activities

(RMB Mil)



Free cash flow

(RMB Mil)



Note: Free cash flow = net cash generated from operating activities – capital expenditure incurred

Capital Structure Overview:

Maintaining Stable and Healthy Capital Structure

(RMB Mil)	2021.12.31	2022.12.31
Shareholder's equity	1,206,350	1,297,348
Interest-bearing debt	—	—
Total book capitalisation	1,206,350	1,297,348
Liabilities-to-assets ratio	34.3%	32.8%
Cash & bank deposits	342,201	269,370

S&P, Moody's:

Corporate credit ratings are equivalent to China sovereign ratings

Make Efforts to Strengthen Operation and Management to Promote High-quality and Sustainable Development of the Company



Make efforts to strengthen improvement in quality and efficiency

Increase revenue, control costs,
exploit and tap into potential and
raise efficiency
Maintain good growth momentum
with all efforts



Make efforts to strengthen lean management

Comprehensively improve the efficiency of
management, resources, assets and capital to build
a solid foundation for core competitiveness



Make efforts to strengthen systematic management

Classification by policies, hierarchical
division of labor, and smart management
Continue to improve scientific
management standard



Make efforts to strengthen risk prevention & control

Continuously improve risk prevention and control
mechanism, ensure operation safety and cyber
security, achieving stable and healthy operations

Extracts from Audited Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022 – Appendix I

(RMB Mil)	2021	2022
Operating revenue	848,258	937,259
Revenue from telecommunications services	751,409	812,058
of which: Voice services	76,163	75,032
SMS & MMS	31,100	31,344
Wireless data traffic	392,859	395,933
Wireline broadband	94,230	105,030
Applications and information services	136,961	182,461
Others	20,096	22,258
Revenue from sales of products and others	96,849	125,201
Operating expenses	730,295	808,160
Network operation and support expenses	225,010	254,182
Depreciation and amortisation	193,045	200,077
Employee benefit and related expenses	118,680	130,157

(RMB Mil)	2021	2022
Selling expenses	48,243	49,592
Cost of products sold	96,083	122,743
Other operating expenses	49,234	51,409
Profit from operations	117,963	129,099
Other gains	8,257	9,388
Interest and other income	16,729	15,729
Finance costs	(2,679)	(2,330)
Income from investments accounted for using the equity method	11,914	10,986
Taxation	(35,878)	(37,278)
Profit for the year	116,306	125,594
Equity shareholders of the Company	116,148	125,459
Non-controlling interests	158	135

Extracts from Audited Consolidated Balance Sheet as at 31 December 2022

– Appendix II

(RMB Mil)	2021.12.31	2022.12.31
Current assets	595,371	456,371
Non-current assets	1,245,956	1,479,167
Total assets	1,841,327	1,935,538
Current liabilities	582,148	533,337
Non-current liabilities	48,887	100,778
Total liabilities	631,035	634,115
Total equity	1,210,292	1,301,423

Operating Data

– Appendix III

		Unit	2021	2022
Mobile service	Customers	Mil	956.89	975.01
	Mobile service revenue	RMB Mil	554,861	569,001
	ARPU	RMB	48.8	49.0
	Handset data traffic	GB Bil	124.84	144.73
	Handset data traffic DOU	GB	12.6	14.1
	MOU	Minutes	264	256
Of which: 5G	Network customers	Mil	206.65	327.16
	ARPU	RMB	82.8	81.5
	Handset data traffic DOU	GB	22.0	24.7
Wireline broadband service	Customers	Mil	240.11	272.17
	Wireline broadband service revenue	RMB Mil	94,230	105,030
	ARPU	RMB	34.7	34.1
Of which: Household broadband	Customers	Mil	217.92	243.70
	Household customer blended ARPU	RMB	39.8	42.1