

CHAIRMAN'S STATEMENT

【China Mobile: Enabling A Better Life】



Mr. WANG Jianzhou
Chairman, China Mobile Communications Corporation

With the growing popularity of smart phones and the expansion of wireless broadband network, the era of Mobile Internet has arrived. Ubiquitous network access, customized applications, and open and mutually beneficial innovative business models have inspired immense potential and vigor. In the meantime, the Internet of Things also shows strong growth potential... These developments have visibly expedited changes in our lives. In rural areas, our Rural Information Network provides farmers with agricultural technology support, market information on agricultural products, job information, and other customized services, while scientific cultivation, remote management, and product tracing systems based on mobile communications technology are rapidly changing the conventional model of agricultural production. In urban areas, various mobile information applications are improving efficiency and triggering transformative structural changes across areas such as traffic control, food safety, municipal administration, commerce and finance, education and culture, and medical care. We are now very close to a "Wireless City".

Mobile technology not only changes our lives, but it also makes them better.

As the largest telecommunications operator in the world by customer base and network size, it is our business goal and mission to enable mobile communications to bring people a richer variety of applications and to allow people to enjoy better lives. For this very reason, with the vision of "Mobile Changes Life", we devote ourselves to innovatively developing and offering enhanced mobile information solutions, thereby striving to make people's lives more convenient, moving towards a "Wireless City", building a "New Countryside", promoting a low-carbon society, and improving people's lives.

We focus highly on technology research and innovation, actively probing into new businesses, new models and new areas on the development of the telecommunications industry and continuously search for a "Blue Ocean" for our industry. We strive to create a platform for the development of our employees and a harmonious working environment to allow our employees to be the internal driving force behind our sustainable development. We endeavor to improve our network and service quality, actively respond to the needs of customers and protect their legitimate rights and interests, and offer "Customer Satisfaction 100" service. We are devoted to narrowing the digital divide so that informatization can improve the lives of people in different regions, at different ages, of different ethnicities, and of different conditions. We constantly focus on climate change and while performing holistic management of our environmental footprint to achieve our emissions reduction target, we also support the low-carbon transformation of society by actively developing environmentally friendly and low-carbon information applications. We actively develop the "Wireless City" and provide extensive individual information services and customized industry solutions to make peoples' lives better, stimulate economic activities and create good social and environmental benefits. We strive to be a good corporate citizen and continue to play an important role in building a harmonious society through our support for education, poverty alleviation, employment promotion, and community development. In 2010, our listed company, China Mobile Limited, was selected as the only Mainland Chinese enterprise in the Dow Jones Sustainability Indexes (DJSI) for the third consecutive year, and was included in the newly launched Hang Seng Corporate Sustainability Index Series. These recognitions affirm our position as a socially responsible corporation and our commitment towards sustainability.

We believe that the sustainability of an enterprise is dependent on and closely associated with the overall sustainability of society. We will continue to fulfill our long-term commitment of "Growing Together Harmoniously" with stakeholders in the process of "Mobile Changes Life". By taking advantage of "the enabling effect" of mobile communications services, we will turn a new page of quality living of mankind and sustainable development by providing more information applications and fulfilling our corporate social responsibilities more extensively.

王健宙

March 2011

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○ ABOUT THIS REPORT

This is China Mobile Communications Corporation's ("China Mobile", "we") fifth Corporate Social Responsibility (CSR) Report, and it covers our activities between January 1, 2010 and December 31, 2010. The Report has been published in both English and Chinese. Starting from 2011, the name of this Report will be changed to the Sustainability Report.

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

Content Selection

We followed the GRI principles for defining report content of "materiality, stakeholder inclusiveness, sustainability context, and completeness" and took the following steps to define the content of this Report:

- ◎ Analysis of our corporate development strategy;
- ◎ The identification of key sustainability issues for the telecommunications industry in terms of their relevance and significance;
- ◎ Feedbacks from key stakeholders; and
- ◎ Analysis of the sustainability and comparability of this Report.

In particular, the 2010 Report covers the following content within the GRI framework:

- ◎ Our sustainability strategy and management implementation in 2010 (see pages 7-11); and
- ◎ Our top six sustainability issues and related sustainability practices in 2010 (see pages 12-49).

Report Scope

Unless otherwise stated, this Report covers operations of China Mobile Communications Corporation and our operating subsidiaries from across all 31 provinces, autonomous regions, and directly-administered municipalities in Mainland China, Hong Kong Special Administrative Region (SAR) and Pakistan, and other affiliated enterprises including China Tietong Telecommunications Corporation.

● China Mobile Basic Company Information

Company Name	China Mobile Communications Corporation
Registration Capital	RMB 51.8 billion
Company Founded On	April 20, 2000
Assets	In excess of RMB 1,000 billion
Headquarters Address	29 Jinrong Avenue, Xicheng District, Beijing, 100033, China
Ownership Structure	State-Owned Enterprise
Method of Going Public	China Mobile Communications Corporation holds 100% of the equity of China Mobile (HK) Group Limited. China Mobile Limited, of which China Mobile (HK) Group Limited is the major shareholder, has set up wholly-owned subsidiaries in 31 provinces, autonomous regions and directly administered municipalities in Mainland China and the Hong Kong Special Administrative Region, and is listed on the Hong Kong and New York stock exchanges.

Data Collection

Our data and case studies in the 2010 Report are collected through the following sources:

- ◎ China Mobile data collection index;
- ◎ China Mobile e-platform for sustainability management – based on indicators developed for our sustainability management system in 2008; in March 2009 we launched an online platform for tracking and managing sustainability data on a quarterly basis; and
- ◎ In 2010 we held an Annual Sustainability Case Competition – since 2008 we have been running this Case Competition along with external experts to select and recognize examples of sustainability excellence within the Group.

Currency

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

Unaudited Data

Unless otherwise specified, the data in this Report is unaudited.

○ ABOUT CHINA MOBILE

【 Company Profile 】

Officially established on April 20, 2000, China Mobile Communications Corporation has registered capital of 51.8 billion and our assets exceed 1,000 billion. We are currently the largest mobile telecommunications operator in the world by network size and customer base. In 2010, we provided the Shanghai World Expo and the Guangzhou Asian Games with outstanding service.

We hold 100% of the equity of China Mobile (HK) Group Limited, which is the major shareholder of China Mobile Limited, a company listed on the Hong Kong and New York stock exchanges. China Mobile Limited has set up wholly-owned subsidiaries in 31 provinces, autonomous regions, and directly administered municipalities in China and the Hong Kong SAR. We also own 100% of China Tietong Telecommunications Corporation and a wholly-owned subsidiary, CMPak, in Pakistan. In 2010, we ranked 77th in the Global 500 companies by Fortune Magazine, we were listed as one of the 50 Most Innovative Companies in the world, and our brand value ranked No. 1 in the global telecommunications industry.

We operate mobile voice, data, Internet Protocol (IP) telephone, and multimedia services, and have the right to operate Internet services and international gateways. We operate basic mobile voice services and value-added services such as data, Internet Protocol (IP) telephone, and multimedia services. We are well-known for brands such as GoTone, Easyown, M-zone and G3.

Since our inception, we have become a leading telecommunications operator with the largest network size and customer base, and the highest market value in the world with strong global competitiveness and brand value through continuous efforts to reform and innovate, expand scale, enhance management, and improve customer service during these ten years.

In line with our core corporate value, "Responsibility Makes Perfection," and the Scientific Outlook on Development, we strive to integrate our business operation with our social responsibilities in order to achieve harmonious development by pursuing economic, social and environmental development in a comprehensive, coordinated and sustainable way and continuously creating value for our stakeholders. In 2010, in order to fulfil our corporate social responsibilities, we actively responded to major sustainability challenges such as the global financial crisis and climate change, and proactively explored new growth models with innovations around our role as a "Mobile Information Expert." In 2010, our sustainability performance won international recognition and our listed company, China Mobile Limited, was recognized on the Dow Jones Sustainability Indexes ("DJSI") for the third consecutive year as the only company from Mainland China.

We are an official signatory of the United Nations Global Compact (UNGC), and fully adhere to meeting the 10 Principles of the UNGC. As we seek to develop active solutions to address climate change, we are also a member to the UNGC's Caring for Climate Program and one of the first Chinese members of the Climate Group.

Major Recognitions in 2010

- We were recognized as an Excellent Performance Company and awarded the Special Award on Innovation in Science and Technology by the State-owned Assets Supervision and Administration Commission (SASAC), and as an A level company for our performance evaluation results. Our 2007-2009 performance was the highest among central enterprises;
- Our listed company was the only company in Mainland China recognized on the Dow Jones Sustainability Indexes for the third consecutive year;
- For ten consecutive years, we have been recognized by Fortune Magazine as one of the Global 500, ranking 77th in 2010;
- For five consecutive years, we have been listed on the Financial Times' BrandZ [TM] Top 100 Most Valuable Global Brands, ranking 8th in 2010;
- We received the highest government award in public charity and philanthropy, the China Philanthropy Award, for the second consecutive year by the Ministry of Civil Affairs; and
- We were recognized by the Red Cross Society of China and received the China Red Cross Medal.

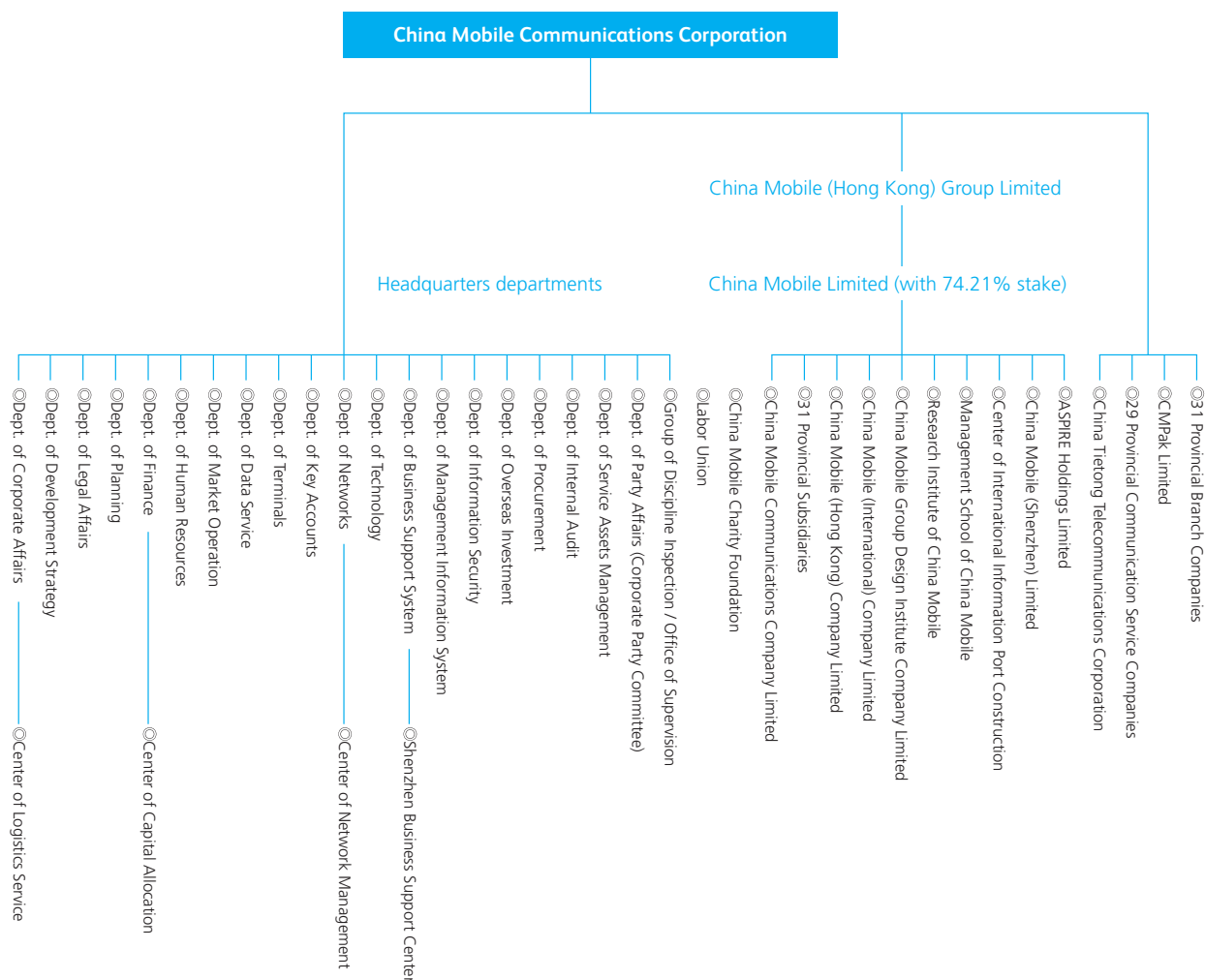
【 Corporate Governance 】

Adhering to principles that focus on integrity, transparency, openness and efficiency, we continued to improve our corporate governance to protect the rights and interests of our shareholders and ensure the protection and increase of state-owned assets. In 2010, following the requirements of the SASAC, we started standardizing our board of directors system to further improve our corporate governance.

Organizational Structure

China Mobile is a state-owned central enterprise, with SASAC representing the Chinese government as our main investor. We indirectly hold a 74.21% stake in the Hong Kong and New York listed China Mobile Limited.

Organizational Chart of China Mobile Communications Corporation



Managing Risk

In 2010, we developed a sound comprehensive risk management framework. Based on the internal control and management measures required by the Sarbanes-Oxley Act, we implemented comprehensive risk management and control, enhanced our internal audit, and adopted a number of measures to prevent business risks as well as internal control risks in order to ensure the sustainable, healthy development of our company.

Improving Risk Management

We have developed a group-wide comprehensive risk management framework that is sound, centralized and standardized by adopting the COSO Corporate Risk Management Framework and following the *Guidance on Comprehensive Risk Management for Central Enterprises* of the SASAC and the requirements given in the *Basic Protocols for Corporate Internal Control* stipulated by the Ministry of Finance and other four ministries. In 2010, we focused on the following tasks:

© Improved our comprehensive risk management framework by focusing on the requirements of the Sarbanes-Oxley Act on internal control and specifying the organizational structure, risk management work flow, risk evaluation approach and standards, risk tolerance, etc., established group-wide risk management terminology system, and developed supporting environment for risk management;

© Carried out risk evaluations from the perspective of comprehensive risk management. As the result, we specified our major risks in 2010 and developed corresponding risk management strategy; and

© Developed a risk map and compiled our 2010 report on comprehensive risk management.

In addition, we further enhanced our management of legal risks, established a legal risk management system at our subsidiaries, and made regular updates. In 2010, we evaluated the possibility, potential and degree of damages of legal risks. Evaluation results indicated that our legal risks mainly related to market competition, telecommunications service, and network and information security in 2010. Then we took measures to modify and improve relevant policies and procedures, set up new positions, intensified supervision, and implemented relevant training, which led to significant improvements.

Enhancing Internal Audit

We have established a two-tier internal auditing mechanism. Focusing on risks, we made revolving internal auditing work plans and the annual audit plan that included financial auditing, internal control auditing, risk assessment, auditing inspection, and related consulting services. By using systematic and standardized auditing procedures and approaches, we independently and objectively monitored and assessed the appropriateness, compliance and effectiveness of our business operations and internal control, making suggestions accordingly to improve the effectiveness of our corporate governance, risk management, and control measures. In 2010, we focused our efforts on the following tasks:

© Issued the China Mobile Internal Audit Protocol to provide system guidance to improve our internal audit;

© Evaluated our business processes and key control points thoroughly focusing on our major risks and management priorities, with priority given to the management of corporate customers and customer service at our subsidiary level in order to further streamline our processes and improve our customer service;

© Optimized the organizational management of evaluation related to the Sarbanes-Oxley Act in order to increase its efficiency and effectiveness;

© Intensified the evaluation on the efficiency and return of the supervision and assessment of the management of our basic business operations in order to help our subsidiaries identify weaknesses and inefficiencies in their management, reduce costs, and implement lean management; and

© Enhanced information system support for internal audit and its management, which allows more accurate and timely analysis and sharing of audit information.

Preventing Corruption

We attach great importance to corruption prevention and focused our efforts on the development of a corruption prevention and disciplinary system as we implemented the anti-corruption accountability system of the Party. In order to provide strong support and guarantee our sustainable, healthy development, we rely on both prevention and disciplinary actions and give equal emphases to awareness raising, system development, and supervision to fully integrate corruption prevention into our operational and organizational management. In 2010, we mainly implemented the following tasks:

© Organized trainings on two regulations to foster a culture of integrity and corruption prevention. We organized study sessions on the *Code of Conduct on Workplace Integrity for Chinese Communist Party Members* and the *Code of Conduct on Workplace Integrity for Management of State-owned Enterprises*, and took measures to foster a culture of integrity and integrate it into our top management, our projects, our grass-roots units, and the families of our employees. We also organized 1,645 educational events on business integrity and corruption prevention, with participation reached over 113,000 person-times;

© Implemented the decision-making procedures regarding “Three Key Points and One Major Issue” to further strengthen our corruption prevention system. We integrated corruption prevention into our operational management and made continuous improvement. We issued the *Implementation Plan for Decision-Making Procedures Regarding Three Key Points and One Major Issue*, *Compilation of Rules and Regulations of China Mobile Headquarters (2010)*, and the *Compilations of Rules and Regulations of Party Development at China Mobile Headquarters (2010)*. We carried out full-scale implementation of the Integrity Commitment System, with a total of 4,451 management staff of mid-level and above and 41,811 employees holding important positions signed the commitment letter;

© Intensified supervision on key management positions and continued to enhance the supervision and balance for the use of authorization. In 2010, we evaluated twelve provincial subsidiaries and entities of the same level, making recommendations for improvement to make the evaluations more effective. We stressed on having regular discussions with management staff on business integrity, and integrated business integrity into the self-evaluation interviews for them. We also took measures to strengthen the rotation system for management and other important positions; and

© Enhanced supervision over the bidding process and construction projects regarding key issues, intensified supervision on the “small treasuries” and performance inspection. We studied the supervision process for the bidding process and intensified supervision over the processes of candidate selection, bidding and tendering, and procurement. We also organized inspection on contact management and took corrective measures regarding issues identified to improve our system and prevent problem from happening in the future.

Looking forward, we will further enhance our risk management, intensify the disciplinary and preventive actions regarding corruption, and maintain sound corporate governance in an effort to ensure compliance and sustainable, healthy development of our company.

○ SUSTAINABILITY STRATEGY AND MANAGEMENT

We adhere to our core corporate value “Responsibility Makes Perfection” and our corporate social responsibility vision “With perfect sincerity and integrity, we will strive to fulfil our three responsibilities: economic, social and environmental.” We believe that our business strategy and our social responsibilities cannot be separated, and we need to fully integrate CSR standards into our business operations and processes through an integrated framework of economic, social and environmental sustainability. This will allow us to maximise the overall sustainable value for us and our stakeholders.

【 Sustainability Strategy 】

Shaping Our Sustainability Concept

We believe that in order to actively fulfill our corporate social responsibility and achieve sustainable development, we need to organize and manage corporate resources in a sensible way that addresses our stakeholders’ expectations, and we need to follow the global sustainability trends and explore new technologies and businesses that are future-oriented and provide services that address major social issues, in order to better cater to social development needs and create combined sustainable value.

We believe that by upholding our core value of “Responsibility Makes Perfection,” we strive to achieve economic, social and environmental sustainability in a way that coordinates the present and the future, and that coordinates ourselves and our stakeholders.

Coordinating the Present and the Future:

We will meet the needs for current development, as well as create room for future growth. To achieve this, we will consolidate our current advantages and create new room for growth by identifying development trends, responding to changes, reserving strategic resources, researching and developing new technologies, and expanding into new fields.

Coordinating Ourselves and Our Stakeholders:

We will pay attention to both our own development and external harmony.

To achieve this, we will seek understanding, recognition and support from our stakeholders; and aim to turn sustainable development potentials into shared value creation opportunities between our stakeholders and us.

Achieving Economic, Social and Environmental Sustainability:

Economic sustainability: We will achieve good operational efficiency and risk management levels, and maintain sustainable value creation and successes under different environments and at different stages.

Social sustainability: Our own development will not be done at the cost of our stakeholders’ interests, and we will promote social progress that contributes to fairness and sharing in society.

Environmental sustainability: We will develop in a resource-saving and environmentally friendly way in order to achieve harmonious development between people and nature.

Creating Sustainable Value

We strive to create sustainable value under ever-changing industrial and social conditions by following our sustainability concept and enhancing our sustainable development. While achieving the sustainable development of our business operations, we also provide solutions to major social issues and achieve mutual benefits with our stakeholders.

● China Mobile’s Sustainable Value Framework



© Source: Adapted from Hart, S. and Milstein, M., 2003, *Creating Sustainable Value*.

【 Sustainability Management 】

In 2010, we further integrated our business development with our corporate social responsibility and developed our sustainability philosophy and strategy. We also urged our subsidiaries to develop a “culture of responsibility” that focuses and enhances their sustainability through top-down management improvement. In 2010, we continued to maintain world-class sustainability performance and were selected as a member of the Dow Jones Sustainability Indexes for the third consecutive year, and were still the only company in Mainland China on the DJSI.

Improving Our Sustainability Index System

In 2009, we established the China Mobile Sustainability Index System for comprehensive assessment of our capacity and standard to realize the value of sustainable development. In 2010, we developed feasible capacity enhancement plans for all 31 provincial subsidiaries based on the evaluations results conducted last year and conducted follow-up evaluations of their efforts. Guided by research on global sustainability theories and best practices, in 2010, we developed our own philosophy of sustainability, built our sustainability model, and further improved and formally established the China Mobile Sustainability Index System.

Meanwhile, we improved the methodology and criteria for evaluating our sustainability performance in a scientific, objective and feasible way. We developed the China Mobile Sustainability Capacity Evaluation Method for Provincial (Regional and Municipal) Subsidiaries and established a long-term mechanism to evaluate and improve our sustainability capacities, and have currently completed the 2010 Sustainability Capacity Evaluation of our 31 provincial subsidiaries.

We will implement sustainability capacity evaluation and enhancement annually, and develop group-wide sustainability strategic guidelines to fully evaluate our sustainability capacity and standard. This will allow us to realize the value of sustainable development.

Promoting CSR Risk Management

In 2009, we launched the CSR risk management system pilot projects among our provincial subsidiaries. Based on global standards and best practice as well as our own operational practices, we set out our list of CSR risks, evaluated our workflow, identified and assessed major CSR risks, developed contingency plans against significant risks, and implemented

annual examination to continuously enhance CSR improvement. In 2010, we started our second round pilot projects among our provincial subsidiaries based on our experiences from the 2009 CSR risk management system pilot projects with the goal of establishing a “Company-Provincial Subsidiaries” 2-tier CSR risk management system. As at the end of 2010, we had established a CSR risk management system in 20 provincial subsidiaries.

Fostering a “Culture of Responsibility”

In order to improve the understanding of the CSR concept among our employees, and help them integrate CSR into their daily work practice, in 2010, we initiated featured cultural communication event, “Our Responsibilities at China Mobile” and through an adherence to the “culture of responsibility”, we allow the realization of responsibility to develop internally.

● Activities and Progresses of the “Our Responsibilities at China Mobile” Event

Activity	Progresses
Signing the CSR Commitment Statement	All departments at our headquarters and all 31 provincial subsidiaries signed the statement.
Setting up the SMS CSR Classroom	Employees of our 31 provincial subsidiaries participated in the program.
Training part-time CSR trainers	123 part-time lecturers received two rounds of featured training; provincial subsidiaries also developed their own team of lecturers of five to ten persons in each provincial subsidiary.
CSR Lecture Hall training program	Our part-time lecturers delivered approximately 420 internal training sessions group-wide.
Held the “Our Responsibilities at China Mobile” essay contest	Over 258 outstanding essays were selected from over 6,200 essays from our provincial subsidiaries, and 40 essays won the top three tier awards.
Adding employee voting into the review process of our 2010 CSR Case Competition	A total of 58,723 employees voted online on a shortlist of 90 cases that passed initial screening.
Hosted a CSR Forum with a theme on internal CSR communications	32 CSR experts and employees who have made significant contributions in the communication event participated in the forum, and they shared and discussed their experience and ideas.
Published a CSR Special Edition in our internal publication, <i>Corporate Culture</i>	Published the feature issue on “Sharing responsibility between company and employees, grow harmoniously and share the future.”

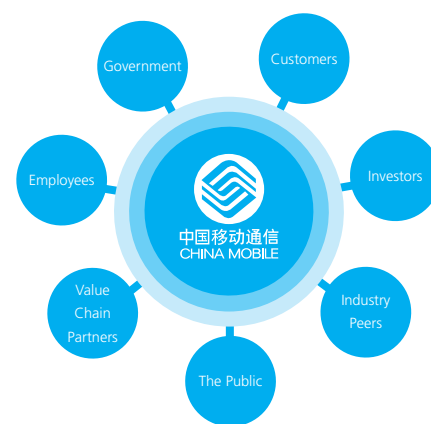
China Mobile Employee CSR Commitment Statement (excerpt)

In order to uphold our common faith and reach our common goal, we hereby make this solemn commitment:

We will recognize, respect and uphold our core value of “Responsibility Makes Perfection”, and with self discipline, hard work, enthusiasm and perseverance turn our CSR vision of “with perfect sincerity and integrity, we will strive to fulfil our triple responsibilities – our economic responsibility, our social responsibility and our environmental responsibility” into concrete words and actions. We will work together to participate in CSR practices and are committed to growing sustainably and harmoniously with society and the environment, and grow together harmoniously with our stakeholders.

【 Stakeholder Engagement 】

We have categorized our stakeholders into seven major groups: government, customers, employees, investors, value chain partners, industry peers, and the public. Based on the group of the stakeholders, we have developed normalized engagement mechanisms (such as specific engagement and ordinary engagement) for engaging our stakeholders to understand their expectations and respond accordingly.



○ China Mobile's Stakeholders

Stakeholders	Method of Engagement	Content of Engagement	Relevant Report Content
Government	<ul style="list-style-type: none"> ○ Regular supervision ○ Exchange meetings ○ Cooperative projects 	<ul style="list-style-type: none"> ○ Meeting regulatory demands ○ Meeting CSR requirements of governments and regulators where we operate ○ Cooperating on philanthropic activities 	5-8, 12, 20-24, 29-32, 37, 43-53
Customers	<ul style="list-style-type: none"> ○ Customer satisfaction surveys ○ Customer relation management ○ "Walking into China Mobile" event ○ China Mobile Membership Club ○ Visits and communications to corporate customers 	<ul style="list-style-type: none"> ○ Improving network performance ○ Improving service and customer satisfaction ○ Ensuring the security of customer data and customer privacy ○ Preventing spam and unhealthy content 	20-28
Employees	<ul style="list-style-type: none"> ○ Employee Representative Committee Meeting ○ Employee complaints and feedback ○ Training ○ Performance reviews ○ Employee survey 	<ul style="list-style-type: none"> ○ Employees' participation in company operations ○ Protecting labor rights ○ Employees' career development ○ Harmonious working environment and prevention of work-related pressure 	13-15
Investors	<ul style="list-style-type: none"> ○ Operational performance evaluation ○ Daily management ○ Regular communication meetings 	<ul style="list-style-type: none"> ○ Protecting and adding value to assets ○ Managing and preventing operational risk ○ Socially responsible investment demand for enterprises 	4-8
Value Chain Partners	<ul style="list-style-type: none"> ○ Regular communication mechanisms ○ Evaluations and investigations ○ Work meetings and reporting ○ Cooperative projects 	<ul style="list-style-type: none"> ○ Compliance, review and feedback ○ Soliciting feedback and recommendations on our business operations and workflow ○ Expanding the scope of business development and potential cooperation 	10,12, 22-23, 29, 33-34
Industry Peers	<ul style="list-style-type: none"> ○ Industry organizations ○ Forums and conferences ○ Working groups ○ Exchange activities ○ Cooperative projects 	<ul style="list-style-type: none"> ○ Fair and orderly competition ○ Industry future outlook and potential opportunities ○ Joint construction and sharing of telecommunications infrastructure ○ Joint research and development and sharing of experiences ○ Communications and cooperative projects on CSR management 	10-12, 31, 34, 51
The Public	<ul style="list-style-type: none"> ○ Community engagement ○ Media communication ○ Philanthropic activities 	<ul style="list-style-type: none"> ○ Improving electromagnetic field radiation management and communication ○ Developing new mobile services ○ Supporting disaster relief ○ Improving the lives of disadvantaged groups ○ Energy conservation and emissions reduction, and environmental protection 	16-19, 23, 36, 43-49

Improving Stakeholder Engagement

In 2010, we further enhanced our stakeholder engagement and established good internal communication and learning mechanisms with improved management of sustainability-related information. Meanwhile, we made efforts to intensify issue analysis, systematically analyze key sustainability issues and improve our stakeholder engagement mechanism accordingly. These efforts resulted in positive interaction between our stakeholders and us.

Improving Information Management: We improved our internal sharing of experience with regular information collection regarding CSR practices through our Electronic CSR Information System. In 2010, we collected 785 pieces of CSR related information and compiled three issues of CSR Newsletter. We also established the External CSR Information Tracking System to regularly keep track of the news from over 200 media, collect and analyze feedback from our stakeholders.

Intensifying Issue Analysis: In order to fully understand the development trend of core sustainability issues, we conducted a benchmarking study of the key sustainability issues of leading global telecommunications operators, large multinational corporations and large Mainland enterprises. We also conducted in-depth analysis of key sustainability issues such as “Mobile Health” and “Water Resource Protection.”

Establishing Dialogue Mechanism: In 2010, we continued to enhance our communications with relevant organizations such as United Nations Global Compact, the Climate Group, Global Reporting Initiative, and CSR Asia. We expanded our cooperation with internationally renowned academic institutions on sustainability research. In September 2010, we organized our first CSR expert workshop on “Mobile Health”. We actively sought opinions from various relevant parties, and the opinions from participating experts were posted in our quarterly report, China Mobile CSR Monitor, to help us with our development strategy.

Enhancing Communication Management: We developed and issued the China Mobile Guidelines for Stakeholder Management 2010, which clearly defined communication channels and core issues, and specifically provided guidance to provincial subsidiaries on stakeholder engagement.

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○ In September 2010, we organized a workshop to explore the prospect and development of mHealth with experts in related fields

In-Depth Participation in Research on Sustainability Issues

Pursuant to the Memorandum of Strategic Cooperation signed in 2009, China Mobile and the University of Cambridge worked together to conduct a research focusing on the sustainability issue of “mHealth” in 2010. The research focused on the global trends in mobile health applications and how to use innovative “Mobile Health” information solutions to address health care challenges with the development of mobile communications technology, such as bringing access to health care services to remote areas. China Mobile had rich experience in developing and offering mobile health related services and provided important useful information for application and research. The research is expected to be completed in 2011 with a research report jointly issued by the University of Cambridge and China Mobile.

Improving Supplier Complaints, Feedback and Evaluation Mechanisms

We attach great importance to the development of supplier complaints and feedback mechanisms to protect the legitimate interests of our suppliers. In 2007, we formulated the *Guiding Opinions on Establishing the China Mobile Complaint Handling System for Bidding and Tendering Activities*, stipulating an efficient two-tier complaint handling system at the company headquarters level and the provincial subsidiary level with open channels for filing complaints. On this basis, we performed reverse-assessment surveys among our major suppliers every year, focusing on their levels of satisfaction towards our procurement management. In 2010, a total of 157 major suppliers had been surveyed, with a total of 1,777 valid questionnaires collected. The survey covered all 31 provincial subsidiaries and all product categories using centralized purchasing. Survey results kept on improving, with significant improvements regarding the processes of payment and acceptance among other management issues.

Deepening Dialogue and Engagement with Stakeholders

Following our three-phase work plan on stakeholder engagement, our focus in 2010 was to deepen dialogue and engagement with our stakeholders. In April 2010, we released our 2009 CSR Report and arranged for our provincial subsidiaries to distribute the report to their key stakeholders for feedback. A total of 58,100 copies of the report were distributed.

In 2010, we maintained close communication with our key stakeholders and well-targeted our response to their expectations and suggestions. In the meantime, we actively attended international conferences and forums on sustainability issues to share our experience and explore sustainability solutions with other participants.

UN Private Sector Forum on Millennium Development Goals (MDGs)	Our Chairman Mr. Wang Jianzhou made a speech on how businesses could help achieve the United Nations MDGs, and how development of information and communications technology (ICT), especially the popularity of the Internet and mobile communications, can bring new solutions to help less developed regions improve on areas such as children's education, health care and poverty alleviation.
Shanghai Expo Summit Forum	Our President Mr. Li Yue gave a speech named "Wireless City: Enabling A Better Life". Mr. Li explained the concepts and structure of "Wireless City", presented our achievements in the development of "Wireless City", and claimed that the Shanghai Expo showed that the development of "Wireless City" had become a major trend for the global ICT industry. This, he said, has had a significant impact on economic development, improving people's lives, and achieving the sustainable development of society.
2010 G20 Seoul Summit	Our Chairman Mr. Wang Jianzhou participated in the roundtable discussion on "Fulfilling Corporate Social Responsibility Commitment" and shared the experience of how China Mobile helped improve productivity with technological innovation, provide job opportunities for young people, and increase agricultural productivity with our Agricultural Information Service. These achievements received positive feedback from participants.
GSMA Mobile Asia Congress 2010	Our President Mr. Li Yue gave a speech named "Mobile Changes Life". Mr. Li said that along the path of China Mobile's transition from "Mobile Communications Expert" and "Mobile Information Expert" to the current "Mobile Changes Life", each transition represented a snapshot of the change and development of the mobile communications industry. In the future, the mobile communications network will continue to move towards, and develop with the aim of achieving universal access, Mobile Internet, and the Internet of Things. Mobile communications has and will continue to change people's lives.

Depending on the actual local needs, our provincial subsidiaries conducted a variety of stakeholder engagement activities.

In Hebei, we invited our stakeholders including representatives of local government, the media, academia, business partners and customers for a dialogue in September 2010. During the meeting, we briefed stakeholder representatives of our CSR performance and invited their feedback and suggestions. Customer association representatives expressed their concerns for customer information security and billing accuracy, while representatives from our business partners stated that they expected us to lead the sustainable development of the industry chain.

In Heilongjiang, we took the opportunity on March 15, the Consumer Rights Day, and worked together with the environmental protection agency, consumer association, and the media to initiate a featured communication campaign regarding the electromagnetic field radiation (EMF) issue around base stations near residential area, which was the target of frequent complaints. By demonstrating authoritative EMF certifications and EMF environmental impact assessment reports on the qualification of the base stations facilities, we showed the participants our strict EMF management in equipment selection, installation, and consumer use.

In Hunan, as the mobile e-commerce product innovation base, we engaged our stakeholders in understanding issues related to the informatization of society. We collected customer feedback through customer visits and seminars, and understood that customers expected us to further expand the range and depth of mobile e-commerce, enhance the applicability of mobile terminals, make applications more user-friendly, and develop special informatization products to people in need.

Looking forward, we will continue to improve our sustainability management system and to understand and respond to the expectations of stakeholders. By leveraging our expertise, we will work diligently with our stakeholders to explore and develop forward-looking models of sustainable development.

○ ENHANCING SUSTAINABLE DEVELOPMENT CAPACITY

To achieve sustainable development, a company needs to keep on enhancing its development capacity internally. On the one hand, a company needs continuous innovation to effectively respond to the ever-changing market and environment, solve current problems on development, and seize opportunities for future growth; on the other hand, a company also needs a team of outstanding employees to give the company the driving force that powers its continuous growth under any circumstances.

【 Innovation and Development 】

In 2010, China Mobile continued to promote the innovation of new technologies, the development of new business models, and the expansion into new areas in order to achieve innovation and growth.

New Technologies

In 2010, we continued to actively push forward the perfection of TD-SCDMA Long Term Evolution (TD-LTE) technology and the maturity of the industry. We conducted research and development on the integration of communications network and IT technology, and the integration of communications network and the Internet. We also made breakthrough in the research fields of cloud computing and the Internet of Things. In 2010, we filed 780 new patent applications, took a leading role in 36 industry standards development projects, participated in 63 projects and completed the establishment of 26 industry standards, submitted 1,056 research papers to major international standard organizations, established 24 research projects in major international standard organizations, and played a leading role in technology development and standard setting in many important fields including TD-LTE, Core Network, and the Internet of Things. In addition, we actively initiated 87 state research projects in 2010 as a strong support to China's innovation strategy.

New Models

In 2010, we further improved our product innovation and business model that focused on our strategy of developing value-added business bases. So far, we have established nine value-added business bases including mobile reading, wireless music, and mobile gaming among others. This model is centered on the industry chain and also reflects our focuses on our customers and services. In this way, we can stay close to the market to understand customer needs and offer better services. Meanwhile, it allows us to make full use of our provincial subsidiaries' resources and market positions. This will enable us to conduct centralized development and innovation for value-added business with high efficiency and at low cost, so as to achieve fast development in new technologies, new functions and new applications.

In August 2009, we launched Mobile Market, a platform for industry chain collaboration and innovative business models. It has made significant progress and by the end of 2010, there were accumulated registered developers of 1.1 million and cumulative registered customers of 35 million. It offered 50,000 different kinds of applications, which had been downloaded over 110 million times.

Regarding the collaboration on innovative efforts with our value chain partners, we have invested 650 million yuan since May 2009 into the TD-SCDMA Terminal Special Incentive and Joint Development Project. By the end of 2010, the project had made significant progress in the development of TD terminals and developed 30 flagship handsets, 20 budget handsets, and four office-fixed wireless terminals.

New Areas

The rapid development of the Internet of Things in 2010 created tremendous potential for "M2M communications." In 2010, we established the "1-1-4 Strategy" for the development of the Internet of Things and founded China Mobile Wuxi Internet of Things Research Institute. Through enhancing development of standardized product system and application templates for the Internet of Things, we continued to promote the development of new applications for the Internet of Things in the energy and transportation sectors among others. Currently, our Internet of Things business has been growing rapidly, with total user counts increased from 150,000 in 2004 to over 6.9 million in 2010.

In 2010, by investing in Shanghai Pudong Development Bank Co., Ltd., we got an opportunity to further explore the integration between mobile communications and finance and e-commerce.

Promoting the Development of TD-SCDMA with Innovation

We view the development of TD-SCDMA ("TD") technology as our historic responsibility. Collaborating with our industrial chain partners, we overcame a number of challenges and transformed the TD system from an experimental network to a commercial network that covers 656 cities across China, with a total of over 20 million customers at its early stage of scale development. Furthermore, we collaborate with others to promote the development of the TD-LTE technology. Our efforts have led to breakthroughs in technological research, network experiments, industry development, and international expansion. To date, TD-LTE Advanced has become a candidate for the 4G standards. Our TD-LTE demonstration network performed successfully at the Shanghai Expo and the Guangzhou Asian Games, and the commercialization process of TD-LTE has also accelerated. In 2011, we will carry out scale TD-LTE experiments in six cities and further promote the development of the industrial chain.

China Mobile International Information Port

On July 28, 2010, the construction of China Mobile International Information Port officially started. The plan is to build a world-class, environmentally friendly hi-tech information park. Based on this platform, we will take advantage of Beijing's strengths in talent, resources and policies, and gradually achieve global operation support such as centralized network management, business support and corporate informatization. It will become a base for high-level overseas talent and play a significant role in the research and development of new technologies, including TD-LTE, cloud computing and the Internet of Things. It will provide information services such as mega data centers and call centers. It will also become an exhibition center and conference center to showcase new technology and new services developed by China Mobile, playing an important role in enhancing the international competitiveness of China Mobile.

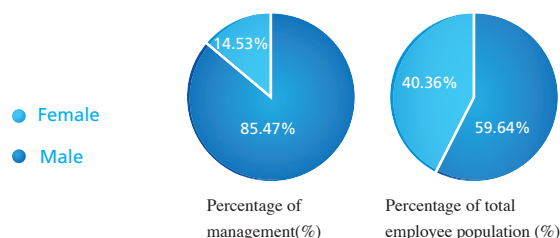
【Employee Growth】

We take protecting employee rights and encouraging employee development as one of our key social responsibilities as well as the foundation for our sustainable development. In 2010, we continued to perfect our protection of employee rights, improve our incentive mechanism, and actively expand employee career paths in order to achieve mutual development of both our business and our employees. We also paid great attention to employee health and well-being, and increase employee satisfaction towards our company.

Protecting Employee Rights

We attach great importance to the protection of employee rights. We ensure that we abide by the new Labor Contract Law and strictly prohibit the hiring of child labor. We are committed to workplace gender and ethnic equality and respect equal employment opportunities, continuously striving to achieve diversity. As of December 31, 2010, female employees and ethnic minority employees accounted for 40.36% and 6.01% of our workforce respectively.

● China Mobile Employee Gender Distribution



Note: Management refers to persons at VP level or above at provincial subsidiaries and persons at general manager level or above at our headquarters.

Based on the labor contract we signed with each employee, we also developed system and management rules for Collective Labor Contract, which were signed by the trade union on behalf of all employees. This is also true for the Contract on Female Employee Protection. We have a reasonable compensation mechanism and provide employees with adequate benefits and insurance coverage required by law. In addition, we are actively working towards the development of a flexible performance-oriented remuneration system.

Regarding workplace safety and employee health, we strictly abide by relevant state laws and regulations. We continuously strengthen our workplace health and safety management and provide our employees with relevant training. We also arrange our employees to attend free annual health examination. In addition to improving our workplace safety management, we strictly abide by state laws and regulations regarding the compensation for work-related injuries and fatalities. In 2010, we further regulated the means of compiling the statistics of occupational injuries. In 2010, we had 77 cases of work-related injuries and three cases of work-related fatalities, which we duly reported to local labor authorities and made proper compensations to the affected employees and their families.

We also continued to encourage our provincial subsidiaries to establish employee aid funds. So far, more than two-thirds of our provincial subsidiaries have established management policies for employee aid and have set up their aid funds with funding from our company, the trade union, and individual employees. The aid funds are used to support employees whose families suffer from severe difficulty as a result of serious illness or disaster.

Employee Communication and Engagement

We actively protect the rights of our employees to know what is going on, make comments, and be a part of corporate decision-making. We encourage employees to participate in corporate governance in order to better protect their legitimate rights and concerns.

In 2010, we continued to promote business transparency, and linked it with employee performance review in an effort to standardize business transparency. We understand the important role of employee representative committee meeting, and thus continued to improve the two-tier employee representative committee meeting system at the provincial and municipal level, as well as giving employees a greater role in corporate decision-making. We increased training efforts for employee representatives to continuously enhance their standard in corporate decision-making.

We conducted thorough research on team management, "Employee Activity Centers", and working conditions. For this research, we visited 108 units in fifteen provincial subsidiaries, listened to 49 briefings, hosted 59 discussions, and conducted 74 individual interviews. About 700 employees at all levels participated in this research. The research was very useful in helping us understand employees' concerns. We will pay great attention to their common concerns and reasonable complaints, and take proper actions accordingly.

Our provincial subsidiaries also tried many innovative ways such as blogs and mini-blogs to encourage better communication with employees.

In Hubei, we set up an employee support platform, providing services such as "Golden Idea" proposal handling, employee counseling, legal assistance, household tips, etc. In 2010, the platform provided services for 15,970 person-times in total.

In Gansu, we set up a variety of communication channels, such as team blogs, a platform for ideas, and a general manager's mailbox, to address employees' concerns and encourage them to give more thoughts on the development of our company.

Expanding Communication Channel with President's Mailbox

To listen to employees' opinions and suggestions more extensively and further increase corporate loyalty, we established the President's Mailbox in 2010. Employees can send emails either using their real name or anonymously to make reasonable suggestions, raise complaints, or inform on potential problems. We drafted rules on its operation to ensure the confidentiality of people who use it and the information they send. Our President will read the emails personally and respond to important issues promptly, or assign relevant departments to address the issues, for which proper actions or replies are required to be made within fifteen working days.

Employee Career Development

We pay great attention to the career development of our employees. We continue perfecting training management and innovating new training delivery methods in order to provide our employees with extensive training opportunities. In 2010, we developed guidelines for training, evaluated the level of existing trainings, and further strengthened selection and management of internal trainers with new trainer management rules and evaluations. At the headquarters level, we have launched an internal training evaluation system and have formed a team of 60 group-level internal trainers.

Meanwhile, we continued to promote the application of e-learning. We reallocated our group's training resources and consolidated training courses with our Management School of China Mobile as one centralized training platform. We developed a group-level course database, sorted out around 10,000 existing courses, and started the digitalization of our course system in order to make our training system more professional and systematic.

In Heilongjiang, we developed the integrated Management System for Employee Skill and Contribution Scores. The system has a comprehensive evaluation function. It evaluates both hard skills (such as seniority, education, position, and honors) and soft skills (such as participation in company events, and training contributions) of an employee and converts them into a standardized score. The employees can use these scores to redeem personalized souvenirs and awards such as trainings, travels, benefits, or other incentives.

In Gansu, we set up a talent development program, the "Eagle Team". We grouped our talents into four sub-groups, each with a name of a different kind of eagle: "young eagle" for new recruits, "flying eagle" for employees who had worked with us for over two years and had potential, "elite eagle" for mid-level managers with growth potential, and "captain eagle" for senior management and technology leaders. Each team had its own customized plan for their development.

China Mobile Employee Training Statistics

	2010
Number of employees trained (10,000 person-times)	89.8
Training for senior executives (person-times)	239
Training for middle management (person-times)	8,195
Training for regular employees (10,000 person-times)	88.9
Percentage of employees attending diploma courses (%)	5.16
Average investment in training per employee (yuan)	2,842
Average annual training time per employee (hours)	59

In 2010, we actively created room for our employees to grow and established the "H" shaped career development path, which allowed the parallel development of management track and technology track talents. We revised and improved the management system of positions and established a standardized position system, giving better support for employee promotion, motivation and development. Meanwhile, we optimized our performance evaluation system with better feedback and communication about employee performance so that they could improve their skills and professionalism with more specific targets. In addition, we explored the possibilities of an eligibility system so as to develop better connections between the eligibility requirements of the positions and

employees' career development plan. In 2010, over 48,000 employees were internally promoted within our company.

In Zhejiang, we revised and improved the *Management Policy on Competition for Technology Track Positions* by developing a unique evaluation system that controls the four key procedures of skill evaluation, performance appraisal, competition scores and peer review, making the process more objective and credible. 25 technology personnel received their positions with this new system.

Developing Overseas Talent Base

As one of the five Chinese enterprises selected by the state government as the "Innovation and Entrepreneurship Base for High-level Overseas Talents," we have already attracted three high-level talents from overseas. All of them were approved to be included in the Thousand People Plan of China that aims to attract high-level talents from overseas, and will play an important role in IT research, the Internet of Things, and other research and development work regarding our industry. We are committed to making our Innovation and Entrepreneurship Base for High-level Overseas Talents into an important incubator platform focusing on key areas of information technology.



In Beijing, we hosted a series of discussion panels advancing young employees' career development



In Fujian, we launched "Sunshine Care Action" and organised leadership training for frontline managers



○ In Shandong, we hosted a Family Day event to enhance our communication with families of our employees



○ In Hubei, we held a Fun Sports event for our employees

Caring for Employees

In 2010, tragic incidents triggered by social pressure and psychological problems have attracted society's attention to the issue of mental health. In addition, growing competition within our industry has led to an objective increase of workloads and work pressure for our employees. We have always cared about the overall health of our employees. In 2010, we continued to strengthen our Employee Assistance Programs (EAP) to provide employees with greater support and guidance with regard to their mental health. Currently, 28 provincial subsidiaries have established EAPs and achieved significant results.

From EAP to PCA, a Continuous Drive for Developing a Harmonious Corporation

In Guangdong, based on our previous work on EAP, we introduced the concept of Psychological Capital Appreciation (PCA) in 2010. The core of PCA is four psychological capitals: "hope, effectiveness, resilience and optimism", and ten psychological elements: "expectation, comparison, interest, interpersonal relationship, acceptance, generosity, forgiveness, exercise, sleep, and appreciation". By fully participating in the five PCA modules of platform, training, playground, monitoring and promotion, employees can develop their mental potential and increase their capability to feel happiness. The PCA Happiness Ambassador Camp makes employees not only understand happiness themselves but also be able to pass this ability to colleagues, friends, and families to increase others' capabilities to be happy. More than 2,000 person-times had already participated in the PCA program.

In Xizang, we initiated an EAP titled "Flying Heart, Growing Harmony, New Future," and contracted third party experts to conduct surveys on the mental health conditions of our employees and evaluate our organization setup. Based on the findings, a number of plans were developed and carried out, including consultation, training and counseling.

In Gansu, after the tragic mudslide disaster, we invited psychologist to conduct counseling and mental health seminar for employees of our Zhouqu branch and those who were stationed there in order to help them heal the emotional trauma caused by the tragic disaster.

Meanwhile, in order to strengthen EAP management, we continued our cooperation with Beijing Normal University and conducted the second "Psychology Fundamentals and EAP Practice" training for our internal EAP staff. We issued the Working Papers on China Mobile's EAP and China Mobile EAP Guidebook to provide guidance to our provincial subsidiaries on EAP development. We also hosted the first China Mobile EAP Forum with the topic of "Caring for Employee Mental Health and Facilitating Corporate Harmonious Development." The forum has a high rate of participation.

We also conducted various recreational activities, sports games, social gatherings, cultural events, employee care activities, etc. to help them ease work-related pressure, reach work-life balance, and enhance their sense of belongings.

In 2010, we have made concrete progress in expanding employee communication channels and caring for their overall health. Looking forward, with increasing pressure from competition, we will continue to create a harmonious working environment and provide greater room for growth for our employees, so as to achieve the mutual development of both our business and our employees.

BUILDING A RESPONSIBLE NETWORK

With the rapid development of information and communications technology as well as the accelerated development of 3G network and businesses in China, people’s needs for communication are becoming increasingly diverse, mobile, and integrated. Consumers demand not only high-quality, ubiquitous coverage, but also greater protection of consumer rights. Building and operating a reliable network and improving service quality are our important responsibilities in order to contribute to economic development, improvement of living standards, and the harmony of society. Adhering to our philosophy of “customers are our priority, quality service is our principle,” we are committed to building a responsible network by continuously improving our network quality, strengthening our ability to safeguard communications, and optimizing our electromagnetic field radiation (EMF) management. We are also committed to creating a healthy communications environment by continuously improving our services, promoting customer satisfaction and transparency, protecting customer privacy and rights, controlling spam and unhealthy content, and promoting a healthy communications culture.

【 Strengthening Network Reliability 】

Network quality is our foundation as a provider of communications services. In 2010, we continuously improved our network quality by focusing on achieving outstanding network quality and providing reliable communications support.

Accelerating TD-SCDMA Network Development

We have made tremendous progress in developing the network coverage and carrying capacity of our TD-SCDMA network with continuous efforts in innovation. Since 2007, we have organized and carried out four phases of TD-SCDMA network construction. By the end of 2010, our network covered all cities above the county level, reaching the target of the 2009-2011 TD-SCDMA Network Development Plan a year ahead of schedule.

Improving Network Quality

In 2010, we researched customers’ perception of our network, starting from major areas which affected our service quality and focused on resolving problems that customers had the most complaints, such as weak network coverage. We launched a group-wide “Network Quality Competition.” By focusing on indicators from seven aspects including quality comparison, voice quality, customer complaints, etc., we identified the key issues affecting customers’ perception of our network quality. In addition, we established a multi-dimensional evaluation system of network quality that focused on customer perception and successfully solved a number of key issues affecting network quality.

In Fujian, we worked assiduously for nearly 1,700 days on the 5.95 kilometer long Xiang'an Undersea Tunnel project and completed the project 20 days ahead of schedule, bringing seamless network coverage to the first undersea tunnel in Mainland China.

China Mobile Network Quality and Stability Indicators (Yearly averages)

	2008	2009	2010
Wireless connection rate (%)	99.20	99.22	99.26
Voice call drop rate (%)	0.62	0.56	0.54
SMS delivery rate (%)	99.35	99.47	99.69

Enhancing EMF Management

We attach great importance to EMF management. During the construction of base stations, we adhere to EMF environmental impact assessment (EIA) according to national laws and other related regulations to ensure that our mobile communications network is green, environmentally friendly and in compliance with environmental standards. Adhering to our three principles regarding EMF management: promoting environmental protection, protecting public health, and promoting the development of communications industry, we continue to promote environmental protection in relation to base station EMF management, and to manage EMF risks and pay attention to EMF-related communication work.

In 2010, we focused on strengthening our internal EMF management by making sure the construction of base stations was in full compliance of construction codes and national EMF standards, and we had proper emergency response capacity. We also participated in research work and community communication to help our stakeholders understand this issue.

In 2010, we issued the China Mobile EMF Management Approach, specifying the principles, requirements and assessment methods for EMF management. We also established a base station EMF information system to improve the monitoring process at base stations and establish methodologies and work plans for EMF inspection. Meanwhile, we continued to actively participate in EMF related activities organized by organizations such as the IEC, ITU and IEEE to take part in the development of protection standards for EMF management.

In October 2010, we arranged our 31 provincial subsidiaries to do sample assessment among the outdoor macro base stations in operation. Assessment results all met the requirements of the national GB8702-88 EMF standards.

Improving Emergency Communications Support

In 2010, we improved our emergency communications support system with four measures: emergency plans, emergency resources and equipment, skill trainings, and emergency drills.

Building organisational capacity and clarifying responsibility	On the basis that all our provincial subsidiaries have established emergency communications offices staffed with designated officers, we started building emergency management organization to fulfill our emergency communications support responsibility at lower-level organizations.
Improving emergency plan system	We continued to improve our emergency plan system. We have set up a color coded emergency plan for business specific emergencies, a special emergency plan for various events, and database for emergency plan for equipment.
Conducting emergency drills	We instructed provincial subsidiaries to conduct emergency drills under different scenarios.
Enhancing emergency response skill trainings	Our provincial subsidiaries organized skill trainings for emergency response personnel to help them better protect themselves and perform more effectively at critical situations.

We developed the innovative “Air-Ground” emergency communications system. The system uses the combination of ground-based disaster-resistant super-base stations, mobile emergency communications vehicles, and high-altitude base stations to form a three-dimensional emergency communications solution.

In 2010, we also cooperated with Peking University and published a white paper titled *Public Psychological Conditions and the Need for Mobile Communications in Sudden Crisis*. As the first research on public psychological needs and the communications needs of mobile users in sudden crisis, it provides a valuable reference to the improvement of the efficiency of disaster relief efforts.

In 2010, based on our high-quality mobile communications services, we provided reliable support during many disasters such as earthquake in Qinghai and mudslide in Gansu, as well as providing significant communications support during significant events such as the Shanghai Expo and Guangzhou Asian Games.

Meanwhile, we continued to use innovative information solutions to provide technical support for the prevention, warning, and relief of disasters.

In Sichuan, we cooperated with the provincial land and water agencies and developed the “Disaster Alert Access” mobile communications solution. The system provides real-time monitoring and warning alerts for natural disasters such as flash floods, heavy storms and mudslides. During heavy floods on July 18 in Dazhou, on August 13 in Deyang, and on August 19 in Guangyuan, the system functioned well and proved its effectiveness. Building of the first phase of the system has commenced in 28 counties in Sichuan.

In Chongqing, we developed the “Geological Disaster Information Management System” using the Internet of Things technology. The system collects information from distributive disaster detection and prevention terminals, and sends the collected information to the Geological Disaster Information Management Platform over a wireless network. It has four major functions: 1) managing information of disaster spots; 2) combining distributive disaster detection and prevention terminals with positioning technology, image capture function, and wireless data transmission; 3) automatically analyzing and processing daily monitoring data; and 4) sending out SMS disaster warnings of different degrees according to the analysis results. The system is already in use in Pengshui county, Kaixian county and Fengjie county, with over 1,000 disaster spots covered by the distributive disaster detection and prevention system.

Providing Communications Support for the 2010 Guangzhou Asian Games

In 2010, under our commitment of providing “the best network, the most excellent business, and the most unique service,” we developed the “Asian Games Network Service Support Platform.” The system integrates a number of functions, including network performance monitoring, facility monitoring, and emergency dispatching. It played an important role in providing communications support for the 2010 Asian Games and the 2010 Asian Para Games in Guangzhou. In total, we dispatched 25,674 person-times and 232 emergency communications vehicles to provide communications coverage for the stadiums. We successfully fulfilled our commitment with excellent network performance during the opening ceremony, the closing ceremony and the games, and no complaint was filed over network performance in the main stadium area.

China Mobile Emergency Response Statistics

	2010
Emergency response mechanisms deployed (times)	5,413
Major political or economic events	4,744
Significant natural disasters	437
Large-scale accidents or catastrophic events	75
Critical public health situations	91
Public safety concerns	66
Emergency response vehicles deployed (times)	21,324
Emergency response systems installed (set/times)	124,268
Employees deployed for emergency response purposes (person-times)	354,822

In-Focus: China Mobile in Disaster Relief

In 2010, frequent natural disasters, such as earthquakes, floods, droughts, typhoons and mudslides caused severe casualties and property losses in China. With our technological and business expertise, we played a vital role during many of these critical situations by providing reliable emergency communications support, helping those in need, and contributing to the supporting and protection of people's lives and properties and to post-disaster reconstruction.

Emergency Communications Support

At 7:49 on April 14, 2010, a 7.1-magnitude earthquake hit Yushu county, Qinghai province. The earthquake cut off connection of four of our optical cables and disabled 64 based stations. We quickly set up a special group to deal with this crisis. We implemented the “Red-Orange-Yellow-Blue” emergency plan to ease the pressure of surges of voice communications in the communication network. Meanwhile, we repaired the disconnected cables and out-of-service base stations to provide communications support for disaster relief efforts. We also dispatched fifteen emergency communications vehicles from all over Mainland China with relief supplies and restored communications within two days after the disaster. We continued to work on the mobile communications network and restored it to previous conditions within a week.

In the evening of August 7, 2010, heavy rainfalls triggered a large-scale mudslide in Zhouqu county, Gansu province. Half of the town was buried under debris. Although seven out of our nine base stations in the county were damaged during the disaster, we were still the only telecommunications company in town that managed to provide communications support. We immediately set up a three-tier leading group to organize our emergency response efforts, quickly mobilized our personnel and organized them into teams for emergency communications support and emergency response, and sent them to the disaster area with 20 generators and ten emergency communications vehicles. Meanwhile, we utilized satellite communications efficiently to provide communications support at the most critical moments. Our response helped restore communications in the disaster area within two days.

Disaster Relief

After disasters occurred, we immediately started offering a full range of disaster relief services to help local people and rescue workers, such as continuing services for phones running out of credit, setting up phones to let people call their family members for free, offering free battery charging,

handset repairing, and SIM card replacement services. We set up rescue hotlines and Chinese-Tibetan language hotlines to help people locate their missing family members. We also established psychological assistance hotlines to help people ease their anxiety. We provided convenient public information services related to disaster relief efforts, helping government send out disaster relief information, weather information, and secondary disaster warnings.



○ In Gansu, our emergency response team rushed to the disaster area to restore communications



○ In Qinghai, we set up free phones in the disaster area for people to reach their families

	Zhouqu disaster area	Yushu disaster area
Communications services	We set up 40 free long-distance phones for people to call their families, which were used for 210,000 person-times during the period, and provided free battery recharging services.	We set up 74 free long-distance phones and six battery recharging stations.
Disaster relief hotlines	We set up the 10086 rescue hotline, initiated contacts with local and roaming customers to determine their conditions, and referred customers' problems and difficulties to rescue services promptly. We also helped contact their families and friends, and inform rescue services and their family members of their identities, location and safety. The hotline handled a total of 1,167 inquiries during the period of the disaster.	Our "Family Connect Hotline" handled a total of 5,990 incoming calls and helped 793 customers locate their families or obtain information on their families.
Public information	We sent out over 30 million community disaster relief SMS messages during the period of the disaster.	We sent out 39.68 million disaster relief SMS messages, and 67.76 million messages on services to help with people's lives during the period of the disaster.

Post-Disaster Reconstruction

We actively took part in the post-disaster reconstruction by improving communications services and disaster response capacity in the affected areas through rebuilding communications infrastructure, network facilities, and business premises.

Meanwhile, we made great efforts to raise charity funds for the post-disaster reconstruction. After the earthquake occurred, we promptly donated 20 million yuan as part of our disaster relief efforts in Yushu. Our Qinghai subsidiary donated 118 tents that were worth over 700,000 yuan to victims of the Yushu earthquake, and nearly 2,000 employees donated a total of 280,000 yuan to the disaster areas. Our Gansu subsidiary initiated a "Charity Credit Giving" program to raise fund for disaster relief efforts after the mudslide in Zhouqu. A total of 622,000 yuan was raised through this SMS fundraising platform from our customers, which was donated to local students from poor families. Our Gansu subsidiary also donated 500,000 yuan through the Gansu Charity Association to the area affected by the mudslide. The China Mobile Gansu Blue Dream Charity Association also made donations to help employees whose families were affected by the disaster.

“ At the dire moments, our daughter’s life was saved because of the reliable signal of China Mobile’s communications network. Our family will never forget it!

At that moment, I was so grateful to China Mobile for allowing me to call my parents back in hometown and tell them I am safe and sound during the critical hours. The opportunity to make this short call is simply priceless.

—People affected by the disasters

Fighting the Snowstorm Disaster and Ensuring Reliable Communications

In January 2010, a severe cold front brought four heavy snowstorms to the northern part of Xinjiang Autonomous Region. Low temperature in most parts of the region reached 36°C to 43°C below zero, and wind speed exceeded eight degrees and up. Snowfalls reached more than three times of the record amount for the same period. It was a once-in-60-years severe weather disaster that lasted the longest, affected the largest area, and with the biggest impact. In northern Xinjiang, Altay, Tacheng and Ili suffered the most as snowstorms blocked transportation and disrupted power supplies, causing great difficulties for local residents. Faced with this rare snowstorm disaster, we made every effort to provide emergency communications support services.

- We promptly started carrying out the emergency communications support plan, formed a special leading group and emergency team, established a 24-hour on duty system, allocating staff and emergency supplies to standby for emergency requests at any time;
- In order to ensure the stable operation of our communications network, we develop detailed maintenance schedules, enhanced real-time monitoring, and conducted regular network pre-screening and daily inspection of key areas and key sections to ensure early detection and treatment of possible problems;
- In order to enhance our emergency response capabilities regarding inclement weather conditions such as sleet, ice, heavy fog, blizzard, etc., we actively contacted local power and meteorological departments to obtain timely access to power supply and weather information;
- We optimized the allocation and dispatching of vehicles, personnel, power generators, and other resources to ensure both network stability and personnel safety under the extremely conditions;
- In areas that were inaccessible by vehicles, our emergency team carried generators and fuel on their back to recharge the base stations; and
- We assisted the government in disseminating early disaster warnings, weather information and other public service messages, provided continued services for phones running out of credit, and provided the local public with a number of charitable services including free phone calls to families, free battery recharging, and free SIM card replacement.

With all these efforts, we battled with the snowstorm disaster for nearly 20 days and ensured smooth communications for disaster relief efforts with no base station out of service.



○ In Gansu, our emergency response team carried equipment and parts on their back when roads were blocked by mudslides



○ In Qinghai, we allocated relief supplies and shipped them to the disaster area



○ In Gansu, we set up a temporary China Mobile Library

【 Striving for Customer Satisfaction 】

In 2010, we continued to promote customer satisfaction and an understanding on consumption, improve the protection of customer information, and strengthen efforts to prevent the sending of spam and unhealthy information in order to promote a healthy communications culture.

Inspiring Customer Confidence

To protect customer's right to information and informed choices, and to improve transparency and customer confidence, we initiated the "Consumer Transparency" service featured program in early 2010. We launched two new services to improve consumer transparency. With the first service, customers who have subscribed to new value-added services will receive an SMS reminder before the new service is billed. With the second service, customers can review and unsubscribe from monthly value-added service packages by simply texting message "0000" to our 10086 hotline. We were the first operator in China that offered such services. By the end of 2010, all 31 provincial subsidiaries had upgraded their support system for the new "Consumer Transparency" service program.

Meanwhile, our clear information display, personalized pricing guidance and attentive services and communications helped customers better understand our business information and pricing packages.

In Shandong, we displayed brochures of service package information in prominent location in service halls, and used newspaper advertisement, leaflets, posters, and SMS to inform customers on how to check billing information on our service packages.

In Liaoning, we provided new customers with detailed pricing guidance to help them choose service plans, sent pricing information to existing customers, and responded to customers' inquiries on pricing.

In Gansu, we improved billing statements, showing customers detailed charges for voice and SMS services in billing statements and the subscription date and channels of subscription for services with fixed monthly charges such as GPRS and Color Ring packages.



○ In Shaanxi, we launched a consumer transparency promotion event on March 15, Consumer Rights Day

Special Campaign on Improving Billing Accuracy

On July 4, 2010, media reported the story of several of our provincial subsidiaries having billing errors. We attached great importance to the incident and asked these provincial subsidiaries to investigate this issue and take appropriate corrective measures as soon as possible.

The investigation revealed that our Hainan provincial subsidiary did have a billing accuracy problem. We compensated affected customers with twice the amount of the billing errors and upgraded our billing system accordingly to prevent future problem. Meanwhile, we analyzed 8,827 cases of customer inquiries and 557 customer complaints about billing issues and responded accordingly to most of them. We revised the Customer Complaint Management Approach of China Mobile Hainan Company and identified ten key problems based on the customer feedbacks. By the end of 2010, 70% of the key problems had already been resolved, while solutions and timetables had been created for 10% of the remaining problems and the 20% of the problems which could not be solved at the provincial subsidiary level had been reported to the headquarters. We also upgraded our support system and started offering three service measures to customers throughout the Hainan provincial subsidiary, including allowing customers to review and unsubscribe from value-added services, sending billing reminders for charges for value-added services, and refunding first before investigating disputes over charges of Monternet services.

At company headquarters level, in 2010 we focused on optimizing the integration of billing function and comprehensive account management, and improved the timeliness and accuracy of billing for data services. From August to December 2010, we ran a special contest with the topic of "Implementing Operation Standards and Enhancing Customer Perception" on procedures related to billing accuracy for voice services. Through the contest, we optimized our business supporting capacity and developed procedures and standards for generating billing statement for voice services. This helped us better protect consumer rights through a closed-loop management system.

China Mobile Billing Accuracy Statistics

	2008	2009	2010
Voice business billing accuracy (%)	99.9996	99.9993	99.9996

In 2010, we introduced a variety of measures to improve the efficiency, quality and convenience of our services to better meet customer needs.

We continued to improve the closed-loop management for the quality of our products and services. In 2010, we established a support system for value-added services that is “highly responsive, highly efficient, and closely monitored,” and we improved service quality management regarding our value-added business partners and optimized our collaboration management procedures. In addition, we initiated a campaign to improve product quality. For value-added services, we established a product quality improvement mechanism, service quality evaluation mechanism and a product quality information database. We also established a full lifecycle product quality management system for TD terminals to achieve higher product quality and better customer experience.

In Shanghai, we launched four service promises of “responding to billing complaints within one day, double confirmation for service subscription, customer waiting time within ten minutes, and hotline connection within fifteen seconds.” Customer waiting time in service halls was shortened by installing queue management system and optimizing queuing rules. Our customer service representatives at the 10086 hotline were able to connect an inquiry call in fifteen seconds compared to 30 seconds previously, achieving a leading position in the industry.

In Xinjiang, we introduced the cartoon character “Little ‘e’, the Intelligent Customer Service Representative” on our portal site. Its humorous and lively tone and language effectively changed the stereotype of system-generated automated responses.

With continued efforts, we have maintained a high quality of customer service. Our overall customer complaint rate continues to decline, and our complaint rate per million customers remains the lowest in our industry.

Serving the Asian Games with Twelve Measures

In Guangdong, we introduced twelve measures to help create a wonderful Asian Games:

- Rate reduction;
- Free incoming calls within Guangdong, and fixed rate for ongoing calls;
- Fixed rate for long-distance calls;
- 2G users can upgrade to 3G services without changing mobile number, SIM cards or re-registration;
- 100% reliability of communications;
- VIP service plan for long-term customers;
- “Guangdong, My Home” service program for migrant workers;
- Self-service service unsubscription by texting “0000;”
- Confidence 100 service program that protects consumer information;
- Three platforms to continuously control unhealthy information;
- A variety of innovative information and communications technology solutions for the Asian Games; and
- The “Service Upgrades with Your Participation” program that aimed at collecting customer feedback and suggestions.

Complaint Rate per Million Customers

	2008	2009	2010
Complaint rate per million customers (cases)	11.4*	11.75	8.53

* The average number from the second quarter to the fourth quarter of the year 2008

Measures to Meet Customer Service Needs

Sales and marketing channels: improving efficiency and shortening waiting time	<ul style="list-style-type: none"> ○ Adjusted business hours according to local customers’ shopping habits; ○ Set up mobile service terminals or mobile service desks in services halls located in busy city areas; ○ Enhanced preparatory work to save customer time, such as helping customers photocopy identifications documents or answering customers inquiries while they wait to be served; ○ Optimized the design of promotional activities and simplified service procedures to save customers time; and ○ Improved service facilities and installed self-served service terminals in service halls.
10086 helpline: improving service quality and problem solving capacity	<ul style="list-style-type: none"> ○ Optimized self-service procedures and streamlined 10086 self-service menu to allow customers to better navigate to find the service options they need; and ○ Organized skill contest to improve customer service capacity.
Electronic channels: optimizing service functions and improving service convenience	<ul style="list-style-type: none"> ○ Added the “Chinese keyword fuzzy query” function to our SMS service center to help customers locate service options more easily from menu items and process their business requests or inquiries conveniently; and ○ Started using the all-in-one domain name, http://10086.cn (the previous domain names are still valid). Customers can access basic services such as inquiry, complaint, services subscription and change of services subscription at this domain or at the websites of provincial subsidiaries which can be linked from this domain.

Strengthening Information Security Management

Information security is becoming an increasingly important and urgent issue as the accelerated development of technologies such as cloud computing, the Internet of Things and Mobile Internet make mobile communications an integral part of our lives. We attach great importance to and take responsibility in protecting the security of customer information. In order to further enhance information security management and protect customer privacy, in 2010 we established a nation-wide information security management accountability system, improved management mechanisms and approaches, and strictly implemented the *Five Bans for China Mobile Customer Service*.

Establishing Information Security Management Accountability System: We developed the *China Mobile Information Security Accountability Management Method (Trial)* and the *China Mobile Information Security Accountability Matrix (Headquarter) V1.0*. These documents clearly defined the scope, responsibility, standards and examination methods regarding information security management. Our information security accountability system covers the entire company, with dedicated departments and personnel at both headquarters and subsidiary level, as well as a daily communication mechanism that helps with their work.

Improving Information Security Management Measures: We took a number of measures to improve our information security management, such as information security supervision and examination, problem-solving mechanism, and experience sharing and promotion.

Information security evaluation	Evaluated major security risks and developed an information security evaluation indicator system.
Problem solving mechanism	Specified standards and rules to deal with violations and implemented stricter punishment; and Established a closed-loop management cycle and violation report system to deal with violations of the “Five Bans” and provided preventive education to employees.
Experience sharing and promotion	Summarized provincial subsidiaries’ experience in protecting customer information security, and compiled the <i>Solutions to Customer Information Security Protection</i> .

Refining Information Security Management Approaches: We developed and implemented information security requirements for different systems, and enhanced control at the business level with technical approaches to prevent both internal and external security breaches that caused either by own errors or by external security attacks. 29 provincial subsidiaries had completed the Phase-I project of the building of the Internet Security Control Platform with thorough records of human operations, effectively preventing security risks from system maintenance personnel.

In Shaanxi, we established a designated position to handle complaints concerning violations of the “Five Bans”. Violators, once identified, will be punished and the punishment depends on the accountability and severity of the violation. Severe violations will be punished by employment termination and turning over to law enforcement, etc.

In Jiangsu, customer information was encrypted with three key measures: dynamic encrypting, information black box, and tracing of information use, forming a closed-loop management cycle. These measures effectively improved our management of customer information security by ensuring that “information is unavailable to leak and unrecognizable if leaked, and the information, even if recognized, remains traceable.”

"Five Bans" for China Mobile Customer Service

- Do not disclose or sell customer information;
- Do not send illegal information or send commercial advertisement without customer's consent;
- Do not subscribe or unsubscribe services for customer without customer's confirmation;
- Do not collude with, protect and encourage providers of value-added services to give out customer information, subscribe to data and information services for customers, or to do other activities that infringe customer's rights; and
- Do not collude with, protect or encourage channel or system partners to give out customer information, embezzle customer's payment, transfer or close customer's account without permission, sell phone number information, as well as other activities that infringe customer's rights.

Advocating for a Healthy Communication Culture

With the increasing popularity of Mobile Internet, mobile handset is increasingly becoming a personal information center and give people convenient access to information. However, some people use it to diffuse spam and obscene content, poisoning the culture of society. In order to fulfill our responsibility in creating a healthy and positive communications environment, we adhere to laws and regulations, attach great importance to relevant customer complaints, and actively control spam and obscene content to promote a good communications culture.

In 2010, we launched a special campaign to control spam messages. By establishing a spam monitoring and management system and applying refined monitoring and management principles to spam monitoring, we saw a significant fall in the relevant number of customer complaints.

Technology	<ul style="list-style-type: none"> Enhanced monitoring systems to monitor, identify and block spam messages, allowing for real-time, quasi real-time and asynchronous monitoring; and Added numbers or sources which send out malicious texts to a blacklist system to block their SMS function.
Management	<ul style="list-style-type: none"> Formulated and issued the <i>Management Approach on Controlling Spam Messages (Trial)</i> to regulate the procedures to identify spam; and Consolidated customer complaints and established a weekly notification system.

In Hebei, we assigned employees to monitor spam and specified the rules and procedures to identify and deal with spam messages. We also sent SMS reminders to new customers to educate them about the risks associated with spam messages.

In order to control obscene content, we developed data blocking mechanisms and closed-loop inspection procedures, and intensified our monitoring efforts in the following ways:

- Cutting off the profit chains through which obscene and pornographic websites receive their income;
- Suspending cooperation with Internet channels;
- Intensifying website registration management;
- Stopping multi-layer subletting of websites; and
- Managing the change of domain names in websites.

In Yunnan, we organized a team of “mothers” from our employees to help with the screening of unhealthy content. “Team Mom” determined whether the content was appropriate as if they were choosing for their children to watch. Over 140 employees have participated in the “Team Mom”.

In 2010, we launched a series of events to promote the development of a healthy cell phone culture. We set up a content database that could be accessed nation-wide and stored a variety of excellent content including articles, pictures, ring tones, and cartoons. Then we circulated these contents using mobile handsets, such as SMS, MMS, Fetion, 139 Mailbox, 139 Talk, and Color Ring, etc., creating a new model of promoting cultural development.

From April to November 2010, we launched the featured SMS/MMS creation and relay event with the subject of “To World Expo, and To Asian Games”. Over 15.48 million people contributed by sending the content they created. Over 82.66 million people received this information, and during the event a total of 188 million pieces of communications were uploaded, downloaded and forwarded. The event generated seven million yuan from SMS communications, all of which was donated to the China Foundation for Voluntary Service to support charitable causes.

Meanwhile, over a hundred mobile cultural communications events with local characteristics were launched across China and such as SMS creation communications competition events: “Caring Jilin” event in Jilin, the “Red Liaoning” event in Liaoning, and “Motto Relay” event in Chongqing, creating the unique cultural phenomenon of “Red Pieces”.

In Hubei, we applied mobile reading in the “Red Education” program and launched the “Seven Ones” theme events for the “Excel in the Performances” campaign, urging grass-roots party members to share red SMS messages, read red books, and excel in party building activities in order to enhance the cohesion of grass-roots party branches and encourage party members to engage in playing a leading role as a party member in their performances.

Developing the Pornographic Website Automatic Dialling & Testing System

We continued to develop new automatic dialling and testing technologies for locating and identifying websites with obscene and pornographic content. In 2010, we set up three testing centers in Beijing, Shanghai and Guangdong. As of the end of 2010, we had tested over two million websites, and effectively blocked 85,280 websites and 1,667 IP addresses with obscene and pornographic content following due procedures required by law.

China Mobile Statistics on Managing Unhealthy Content

	2008	2009	2010
Cumulative number of spam messages blocked (billion)	5.4	10.0	22.2
Cumulative number of customer complaints related to unhealthy content addressed (million)	7.63	15.00	21.84



© In Shandong, we launched the “Set Dreams Fly” green mobile culture campaign

O NARROWING THE DIGITAL DIVIDE

2010 was a milestone year for the efforts to narrow the urban-rural digital divide in Mainland China. With our full support, China achieved its milestone target of 100% coverage of all administrative villages. As we continued to expand network coverage to remote areas, we also focused more on how to use mobile communications to help farmers improve their lives, increase agricultural productivity, and speed up rural community development. Meanwhile, in order to benefit even more groups with information and communications services, we strengthened our efforts in providing disadvantaged groups, such as the elderly, the disabled and the ethnic minorities, with customized products and convenient services. We will keep on strengthening the accessibility of telecommunications services to give each individual the opportunity to live a wonderful life enabled by mobile communications.

【 Promoting Rural Informatization 】

We have always considered narrowing the urban-rural digital divide as our priority, aiming at benefiting farmers through rural communications, distribution and information networks and promoting rural informatization. We made great strides in developing our Rural Communication Network and expanding our Rural Information Network and Rural Distribution Network for easy, affordable and valuable access to mobile communications and information services for farmers. These mobile information services stimulated economic development and social progress in rural areas.

Advancing the Village Connected Project

Since 2004, we have been actively supporting the national Village Connected Project, which aims to solve the problem of signal coverage in rural areas and has committed to the 51% of the set objectives of the project. As at the end of 2010, we have cumulatively covered 89,000 remote villages with our mobile communications network and helped increase the coverage for administrative villages and natural villages in China to 100% and over 94% respectively, representing an increase of eight percentage points and two percentage points respectively.

Improving Rural Network Quality

Network communications in rural areas is often affected by disruptions or poor quality due to inadequate power supply. In this regard, in 2010, we adopted a variety of measures to improve the power supply reliability and emergency power generation efficiency of rural base stations to ensure safe, stable and efficient operation of rural area networks.

Looking forward, we will overcome the challenges from areas which are even more remote and under more adverse geographical conditions and continue to advance the construction of the Village Connected Project. We will also strengthen the joint construction and sharing of communication infrastructure to maximize the value of construction resources of the Village Connected Project. Additionally, we will further improve the quality of rural telecommunication by focusing on the optimization of key projects in key areas.

China Mobile Village Connected Project Statistics

	2008	2009	2010
Cumulative number of administrative villages covered via our Village Connected Project	41,843	43,714	45,514
Cumulative number of natural villages covered via our Village Connected Project	19,904	34,122	43,570



© In Hebei, the Village Connected Project was expanded to provide coverage to natural villages

Six Key Efforts to Improve Rural Network Quality

- To use “Off-switch Power Plus Battery” to increase the environmental adaptability of power supply systems at base stations;
- To replace aging batteries timely to increase the backup capacity of power supply systems at base stations;
- To increase the number of emergency generators to solve the early aging problem of batteries;
- To carry out centralized monitoring on the power supply of base stations in rural areas and optimize support system for power supply;
- To install high-speed power generation hardware; and
- To increase emergency repair efficiency by developing the generator scheduling function module.



© In Beijing, we launched the Shang-Nong.com web portal to promote the development of a modern agriculture in urban areas

Improving Our Rural Information Network

Rural Information Network is our general gateway and platform to serve the rural areas. In 2010, we completed the Phase-III construction of our Rural Information Network, which strengthened our capacity to support rural information products nation-wide. We improved the rural information database that supports nation-wide sharing of rural information with more services and information resources. Now people have basic access to information on rural recruitment, sales of agricultural products, agricultural technical consulting, production and living, and policies and laws.

As of the end of 2010, there were more than nineteen million rural customers on our Agricultural Information Service and we had sent out an average of 19.5 million SMS a day. We received an average of 26,000 calls per day for our 12582 hotline service, and our website, www.12582.com, ranked the first among agricultural websites in China by number of hits. Our Rural Information Network has become an important and effective channel to obtain useful information and provided powerful information-based support for farmers to expand production, increase income, and improve living conditions.

In Shandong, we established a three-tier information service system at the county, township and village level. At the county level, we collaborated with government agencies and leading agricultural enterprises to set up an SMS platform for interaction between agricultural experts and farmers, which facilitated transmission of information to fields and greenhouses. At the township level, through the Rural News service, we promptly delivered practical information, such as government policies that benefit farmers, agricultural alerts and local news, to rural subscribers. At the village level, we promoted the application of rural information terminals to meet the demands of rural residents for information such as village news, market conditions for agricultural products, and sales of agricultural products.

China Mobile Statistics of Rural Information Services

	2008	2009	2010
Agricultural Information Service customers (million)	38.68	45.21	56.87
Number of agriculture-related items posted on the Rural Information Network website (million)	3.92	5.59	7.24



© In Fujian, a farmer submitted a loan application using our mobile information terminal

Enhancing Rural Information Services

Since 2008, we developed a number of sub-services for our Rural Information Access, such as Rural Job Network, Rural Administration Information Service, and Rural Information Package. In 2010, we further improved these services according to market demands. By the end of 2010, the Rural Job Network hotline had been called over 1.12 million times cumulatively, over 31,000 times per month on average. It provided nearly 200,000 job opportunities each week, helping the government solve the employment issues of migrant workers. The Rural Administration Information Service supported the management efficiency of local governments in rural areas by providing administrative information services to 21,000 grassroots administrative organizations in rural areas nationwide.

In Fujian, in 2008, we started a pilot project for rural financial information service in Ningde city, and developed the Rural Microcredit Self-service Information Platform. We consolidated agriculture related resources of financial institutions, poverty alleviation agencies, agricultural businesses and the government to achieve centralized management of data, information and microcredit service. Farmers could apply for loans from their handsets or rural information terminals by SMS and WAP. Both loan application process and the approval process became paper-less, and the review process of loan applications was shortened from several months to only three working days. We are planning to expand this service throughout the province in 2011.

In Gansu, by collaborating with local government, we developed the rural information integration platform Agriculture Support Service. The platform has four components: Agriculture Support Family Service, Agriculture Support Know-how, Rural Information Access, and Automated Monitoring and Control System. Together, these components help farmers control communication costs, access information, obtain information on business opportunities, and manage modern agricultural production respectively. Each year, this service can save the local government five million yuan annually in terms of promotion expenses for rural policies, and generate about 200 million yuan of direct and indirect economic benefits.

In Chongqing, we worked with local government to pilot the “official public assessment” program with the “democratic evaluation” function we developed on our e-Administration Service. With an SMS response rate of over 92%, this pilot program has greatly improved the accuracy and efficiency of the survey, conducive to the development of public administration and the democratic progress at the grassroots level in rural areas.



© In Jilin, we organized field trips for agricultural experts to disseminate agricultural knowledge in the countryside. A total of over 170 person-trips were made to serve over 60 townships

Developing Modern Agricultural Solutions

We take advantage of mobile communications technology and advance the transition from traditional agriculture to modern agriculture with the help of information solutions. We developed various information-based applications, such as greenhouse remote monitoring, automatic drip irrigation, and milk source safety information management, to enable accurate management of agricultural production.

In Xinjiang, we actively advanced the application of “Mobile Internet of Things for Agriculture”. To date, more than half of the districts and areas in Xinjiang have applied such projects as standard wireless production and monitoring of agricultural greenhouses, wireless automatic water-saving drip irrigation, wireless water quality monitoring of fresh water aquaculture, water conservancy and hydrographical data, and animals and plants sourcing:

- © In Tacheng, we implemented the greenhouse management project, which included real-time monitoring of the greenhouse temperature, soil moisture, and wireless automatic drip irrigation control;
- © By combining the Israeli drip irrigation technology and the Mobile Internet of Things, we realized automatic data collection and full automatic drip irrigation in 100,000 mu of farmland for the Xinjiang Production and Construction Corps;
- © Through remote transmission of meteorological data with mobile network, we have successfully realized the timely agrometeorological forecast for the 1,100 meteorological monitoring areas in Xinjiang and thus can provide accurate warning and attenuate the impact of disastrous weather on agriculture; and
- © By means of mobile information services, 29 organizations were able to collect flood and drought information, release flood, drought and hurricane information, and conduct remote monitoring for all twelve regions in Xinjiang.

In Gansu, we installed wireless intelligent control modules at 150 important water diversion junctions on the irrigation system in Zhangye city and constructed an information monitoring platform using wireless transmission technology to remotely control the opening and shutting of the water gates. With these information based solutions, we have achieved accurate and efficient remote monitoring and management of agricultural water in the irrigation areas.



© In Shandong, our employee showed farmers how to use mobile handsets to find information

Customized Services for Rural Residents

In 2010, to better serve our rural customers, we cooperated with various parties and changed our two-tier “city to county” sales model to a three-tier “city to county to village” model. Additionally, we developed network service channels such as Remote Number Selection and Remote Recharge to counteract limited access to sales and services and difficulty in making payments in rural areas. By the end of 2010, we had developed nearly 580,000 sales channels in rural areas, built 118,000 rural information service stations either on our own or in cooperation with local government, and recruited 93,000 rural information assistants.

Considering customers’ consumption patterns in rural areas, we provided farmers with special price local rural calling packages and rural customer group packages, offering rural customers services they can afford.

In Gansu, we went beyond traditional sales models and offered doorstep services in Zhangye city. Through over 100 China Mobile sales stores, over 800 rural information service stations and a team of 500 sales representatives, farmers have been provided with convenient services such as Remote Number Selection, Remote Activation, and Remote Recharge.

In Guangdong, we launched the Rural Information Access value-added service to help farmers learn new agricultural technology and increase their income. This project provided farmers with value-added services such as expert guidance and market price analysis, as well as practical guidance on pest control, new farming and animal husbandry techniques and seed selection.

◆ Number of China Mobile's Rural Sales Channels (10,000)



【 Expanding Information Service to a Wider Group 】

How to involve a wider group in sharing the wonderful life brought about by mobile communications has always been a challenge for us. We focus on the special needs of the disadvantaged groups, such as the disabled, the elderly and ethnic minorities, and make efforts in overcoming the inconvenience for them to use mobile communications. With a number of customized products and services, we have brought them accessible mobile solutions that meet their unique needs.

Building an Information Platform for the Disabled

According to statistics, China has approximately 83 million disabled people who also impact 260 million family members. On the one hand, we try to meet their special communication needs and help them communicate with others through our different information channels; on the other hand, we provide the disabled with an information support platform through which they can access practical information on interaction, education and employment to stay close to society. We also set up special service desks and install barrier-free facilities in our service halls to ensure convenience for the disabled.

In Guangdong, since 2006, we started cooperating with the Guangzhou Federation of Disabled Persons to initiate the Caring Mobile Information Service program, and built a communication platform for the deaf, the mute and other disabled with visualized text-based interaction services, special SMS ports with priority access, special service protocols and free voice service. Armed with these special services, the disabled can also experience the convenience brought by information technology. By now, the platform has already provided services for around 5,000 disabled people.

Information Services for the Elderly

China is now entering an aging society. Statistics show that as of 2009, there were 167 million elderly people over 60 year old in China and over 50% of families in China were “elderly empty nest” families. We studied the needs of the elderly both under normal circumstances and during emergencies, and based on our findings, we developed handsets and service packages customized to their needs, and established information platforms to help take good care of them.

In Heilongjiang, in cooperation with Harbin Help-You Elderly Public Welfare Service Center, in early 2010 we initiated the project of “Community-Based Elderly Care and Household Services” and launched the “24-Hour Service Platform for the Elderly”. Elderly customers are equipped with a special terminal which they can use to call for help, either for emergency aid or household chores. The terminal has different functions such as Push-for-Help, Notice Sender, and Maintenance Call. As of June 30, 2010, 928 elderly were given emergency handsets and a special pre-paid Easyown SIM card. During this period, 23,257 service requests were received and processed. Among all, the emergency aid service successfully saved the lives of three elderly people.

In Gansu, we launched the “Virtual Nursing Home” project in Lanzhou city in October 2010. With this service, elderly people can dial the service hotline number for over 60 different services under seven major categories, including caretaking, housekeeping, property maintenance, culture and recreation, counseling, healthcare, and legal services. Local elderly people began calling our project the “Nursing Home on the Phone”. For some elderly people, learning how to use mobile phones is a daunting task and a “technological divide.” In 2010, we conducted modern communication product training specifically to teach the elderly how to use mobile phones.

In Shanghai, we customized our 10086 hotline menu for elderly customers who are over 60 year old and their calls will be transferred to a special service team. On average, we receive 150,000 calls from elderly customers each month. Meanwhile, to allow elderly customers to better understand our mobile business, we extended our services to additional communities and sent our employees to show elderly customers how to use our online and SMS service centers and spam filters. In 2010, we carried out 20 community service events and served over 1,600 elderly customers.

Serving the Asian Para Games

As an important partner of the Asian Games in Guangzhou, we introduced twelve special services for the disabled during the Asian Para Games in December 2010. The professional and convenient services for the disabled included free special service SIM cards, free special service mobile phones, sign language interpreters, special service desks, special passages, G3 video sign language service, on-site discounts, Sign Language Day, etc. We created three “first times” during the event: first time to provide 1008628 video-based sign language service, first time to introduce special SIM card for the Asian Games to the handicapped, and first time to launch the China Mobile Sign Language Day event.

Bring Out the Beauty of Your Hometown in Your Fingertips

In Neimenggu, we launched the “i-Life, and Love Our Hometown” cultural event, inviting people to create and submit multimedia works that show the most beautiful side of Neimenggu through beautiful sceneries, pictures and songs. Submitted works were demonstrated in the form of SMS, MMS and Mobile Papers, while the final winning works were compiled into an e-book titled *Impression on Neimenggu*.

People were also invited to vote for the “most beautiful hometown” contest, during which they could download ethnic music ringtones and forward SMS and MMS to support their hometown. As of the end of August 2010, the event has received favorable responses from the community, with over 1.5 million people participated in this event and the organizers received 1.39 million SMS/MMS and 200 ethnic music ringtones.



© In Gansu, we customized our services in Linxia county to better serve the Dongxiang ethnic minority

Serving Ethnic Minority Groups

We take into account the unique characteristics of different ethnic minority groups to develop services with unique features. By doing so, we not only promote the development of mobile communications in minority regions, but also contribute to the conservation and dissemination of different ethnic cultures.

In Xizang, we developed the “Tibetan SMS Platform” and “Mobile Phone Tibetan Input Method”, with which editing, content subscribing and information selection could be done in Tibetan language. Some models of smart phones were already able to support Tibetan-language input and the transmission of Tibetan language text messages.

In Xinjiang, we successively launched the Masher Card, “Mara”, Uighur-language 12531 Color Ring, Uighur-language Mobile Paper, Uighur-language 12580 Information Service Center, Ethnic Music and Game Service to enrich people's cultural lives.

In Ningxia, Tongxin county has a large Muslim population. We developed an internal roaming plan customized to their needs during pilgrim trips to Mecca, established special service desks, showed customers general information about mobile phones in detail and how to make international phone calls, and produced booklets on rate-related information for pilgrims.

In Sichuan, by working with music producers and local culture offices, we sorted and recorded over 1,000 songs in ethnic-minority languages. Then we produced color rings and ringtones with them for customers to download. These efforts contributed to the protection and dissemination of the music heritage of ethnic minority groups.

Looking forward, we will continue to advance the Village Connected Project and improve the network coverage in rural areas. We will develop our rural service network in combination with the “Ten Thousand Villages and One Thousand Townships” project, so as to better serve our customers in rural areas with mobile communications network. We will continue to develop the Rural Information Access 12582 business, providing rural customers with job opportunities, agricultural production information, agricultural information, and rural business information through voice hotlines as well as SMS and Internet services. We will build the Rural Information Access 12582 business as the information hub for farmers, promote informatization in rural areas, and continue to narrow the urban-rural digital divide.

Additionally, we will also continue to look into demands of groups that need special attention such as the disabled, the elderly, and ethnic minorities, and provide them with different innovative services that improve their safety, communications, quality of life, and cultural life. Using the most advanced mobile communications technology and service applications available, we will build an information bridge for them to cross the digital divide.

○ ADDRESSING CLIMATE CHANGE

We attach great importance to the challenges to the sustainable development of mankind from climate change and adhere to national policies and guidelines on energy conservation and emissions reduction. Since 2007, we have been fully implementing our “Green Action Plan”, which focuses on energy conservation and emissions reduction with a three-level strategy: internally by improving operational efficiency and cutting costs through improved management, technological innovation and structural optimization; externally by forming a green “Blue Ocean” with industry peers through increased collaboration with upstream industry chain partners as well as joint construction and sharing of communication infrastructure with industry peers; lastly, by providing innovative low-carbon information technology solutions for our customers, which facilitates the development of a resource-saving and environmentally friendly society.

【 Building an Energy Management System 】

In order to grow harmoniously with our industry, society and nature, we take a systematic and scientific approach to develop our “Green Action Plan” based on the coexistence of industry chain, as well as the maximization of overall benefit to our value chain. Our “Green Action Plan” has four sub-systems: corporate value improvement, industry chain growth, environmental benefits, and social benefits.

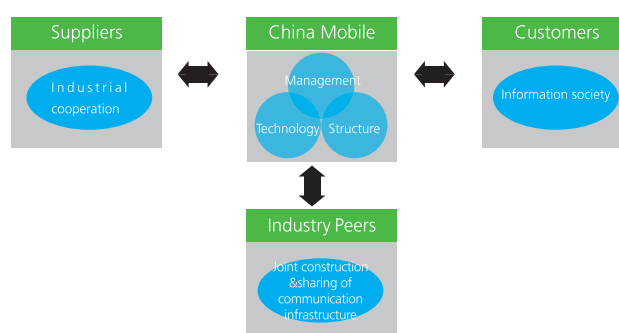
In 2010, we continued to implement our “Green Action Plan” and the commitments we made by signing the “Voluntary Agreement on Energy Saving.” Internally, we enhanced our management and changed our mode of development by improving our energy management system, creating new ways to conserve energy, and promoting proven energy saving technologies. Externally, we leveraged our influence to promote energy conservation and emissions reduction both within our industry chain and throughout society.

In 2010, we further evaluated and upgraded the energy efficiency standards that we initiated in 2009. In order to do so, we directed our 31 provincial subsidiaries to evaluate the overall energy efficiency of their data centers, base stations and buildings designated as pilot “green buildings”. In Dongguan, Guangdong province, we commissioned a third party to conduct a greenhouse gas inventory pilot program.

As one of the first three pilot state-owned enterprises, we collaborated with relevant agencies on a research project named “Evaluation of the Results of Energy Conservation and Emissions Reduction at State-owned Enterprises”. This project applied energy management systems such as ISO50001, and implemented new systems that manage energy consumption along the full lifecycle including research and development, procurement, production, service and management.

In 2010, we summarized our experience from implementing the “Green Action Plan”, and developed a new plan: the *2011-2015 Plan for Energy Conservation and Emissions Reduction*, to build a long-term energy conservation mechanism.

● China Mobile “Green Action Plan” Framework

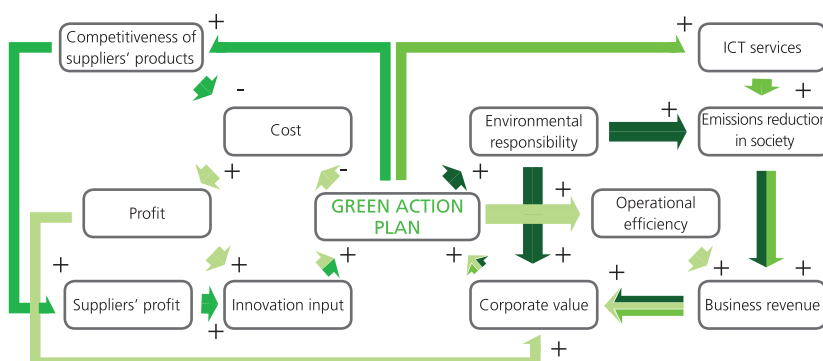


Recognitions in 2010 Regarding Our Environmental Management

- ◎ “Green Low-Carbon Enterprise Pioneer Award”
- ◎ “Energy Conservation and Emissions Reduction Model Enterprise” by China Environment Federation
- ◎ “China's Top Ten Energy Conservation Contribution Enterprise” by China Energy Conservation Association
- ◎ “Outstanding Contribution Enterprise in Promoting Energy Conservation and Emissions Reduction with ICT” by Chinese Institute of Electronics
- ◎ Our “Green Packaging” won the Gold Award on Sustainable Development awarded by the World Packaging Organization
- ◎ “Promoting Energy Conservation and Emissions Reduction with a Scientific and Systematic Approach” won the first-class prize at the Seventh Management Innovation Evaluation of the National Communications Industry

● Impacts of the “Green Action Plan”

- Corporate value improvement sub-system
- Industrial chain growth sub-system
- Environmental benefits sub-system
- Social benefits sub-system



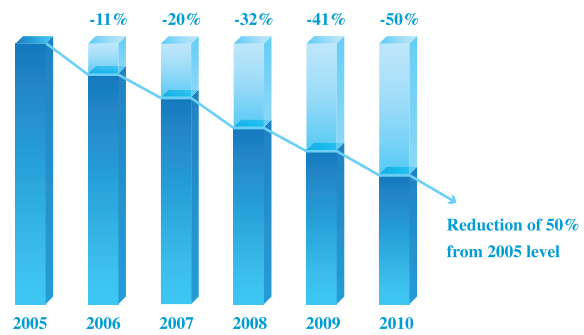
【 Managing Our Own Environmental Footprint 】

In 2010, we continued to improve the management of our environmental footprint. On the one hand, we tried to fully tap our energy-saving potential by focusing on network operations from the aspects of network equipment, air-conditioning system, power systems and others. On the other hand, we actively developed electronic channels in sales and customer services to lower the energy consumption of our business operations.

Building a Green Network

We conducted research and pilot programs on new energy-saving technologies regarding the air-conditioning system, power system and network technology, and implemented those that proved to be effective. Meanwhile, we continued to build alternative energy base stations and piloted the technology of using both alternative energy and utility power. We also tried new technologies and equipment, such as distributive base stations as we implemented the Village Connected Project in order to lower the energy consumption of network equipment and air-conditioning units. We achieved our 2010 reduction targets. Compared with 2009, our comprehensive power consumption per unit of telecommunications traffic for 2010 had decreased by 6%, while the electricity consumption per carrier frequency at our base stations had decreased by 14.5%. In 2010, according to the improved measurement approach, our electricity consumption per unit of telecommunications traffic decreased by 14.8% compared to 2009, representing a 50% drop from 2005, 40% over our reduction target.

● China Mobile Electricity Consumption per Unit of Telecommunications Traffic over 2005



Note: In 2010 we further improved our measurement approach. Currently, “traffic (measured in MB)” includes voice and data businesses on both GSM network and TD-SCDMA network. Adjustments have been made to historical data to reflect this change.

Alternative energy base station
As at the end of 2010, we had constructed more than 7,700 wind and solar power base stations, including the largest cluster of solar power base stations on the Qingzang Plateau with an average elevation of 4,000 meters. We also carried out pilot expansion projects over 200 energy base stations.

● Use of Alternative Energy in China Mobile Base Stations

	2008	2009	2010
Total	2,135	6,372	7,795
Solar energy	1,615	5,581	6,279
Wind energy	—	72	308
Solar and wind energy	515	689	1,069
Other	5	30	139

● China Mobile Lead-Acid Battery Recycling Statistics

	2009	2010
Discarded lead acid batteries (million of Ahs)	132.66	125.85
Lead acid batteries recycled (million of Ahs)	98.74	104.44
Lead acid batteries reused (million of Ahs)	41.54	26.65

- Distributive GSM base station**
Uses less space, energy and materials than traditional base stations. Widely used in providing coverage for indoor, road, and rural areas.
- New types of battery**
Has wider range of temperature adaptation that can lower air-conditioning energy consumption; lab testing completed; field testing underway in five base stations.
- Constant temperature battery pit**
Allows base stations to operate at higher temperature; lowers air-conditioning energy consumption by 15%; over 2000 units in use in Neimenggu and Henan; annual energy savings of around 1 GWh per year.
- Intelligent wireless carrier frequency**
Automatically shuts down idle carrier frequency; reduces energy consumption by 12% to 20% on average; over 4.2 million units in use; annual energy savings of over 500 GWh per year.
- Base station cooling system optimization**
Uses natural sources for cooling; lowers air-conditioning energy consumption by 20% to 80%; 57,000 sets of natural cooling equipment installed.
- Heat-reflective insulation coating**
Painted on outer wall of base stations; reduces air-conditioning energy consumption by 10% to 20%; large scale pilot applications in suitable regions nation-wide.



Advancing Joint Construction and Sharing Efforts

Joint construction and sharing of telecommunications infrastructure is an effective and rational way to utilize space and resources, increase facility utilization ratio, and reduce energy and resource consumption during operations. In 2010, our parent company issued the *2010 Guidelines for Joint Construction and Sharing of Telecommunications Infrastructure of China Mobile* and corresponding management rules. In addition, we undertook research on a variety of related topics, such as joint construction and sharing technology in subway lines, comparison studies of EMF EIA results, joint standardization in equipment rooms at base stations and research on the application of micro optical cable technology, to lay a technological foundation for future joint construction and sharing of telecommunications infrastructure.

In 2010, we actively implemented multiple joint construction and sharing projects for major events, national and local key construction projects, rural network construction, natural reserves or scenic resorts with relatively higher requirements for environment protection, and post disaster reconstruction. As a result of joint construction and sharing, we have saved approximately 75,000 tonnes of steel and 64,000 cubic meters of timber.

2010 Network Infrastructure Joint Construction and Sharing Statistics of China Mobile

	Joint Construction Rate(%)	Sharing Rate(%)
Tower	62	80
Pole line	32	84
Base station	43	81
Transmission line	31	84

Standardized tower construction

Shortens construction time by two months or more; reduces steel consumption by 40%.

Standardized base station outdoor cabinet

Partitioned temperature control can result in an approximate 40% energy savings and save space. It has been applied to over 1,000 base stations nation-wide with annual energy savings of 2 GWh. Pilot projects under different climate conditions were carried out in 2010.

China Mobile Energy and Resource Consumption

	2008	2009	2010
Total electricity consumption (GWhs)	9,920	11,140	12,440
Natural gas (million cubic meters)	6.6	8.8	6.0
LPG (hundred tonnes)	3.9	10.5	7.5
Coal gas (million cubic meters)	—	0.8	1.0
Coal (10,000 tonnes)	8.3	5.3	5.3
Gasoline consumption (million liters)	143.8	155.6	149.1
Gasoline consumption for management related issues (million liters)	—	73.1	82.4
Gasoline consumption for generators (million liters)	—	82.5	66.7
Diesel fuel consumption (million liters)	32.9	23.5	26.1
Diesel fuel consumption for management related issues (million liters)	—	8.9	9.9
Diesel fuel consumption for generators (million liters)	—	14.6	16.2
Total CO ₂ emission (million tonnes)*	8.42	9.46	11.12

*CO₂ emissions are calculated with the following emissions factors released by PRC government: electricity, 0.849; gasoline, 2.3; diesel fuel, 2.63; natural gas, 0.559; LPG, 1.49; coal, 2.66; and coal gas, 9.5.

Standardized equipment room

Increases space utilization by approximately 20%; reduces construction cycle by over three months. Standards and construction guidance completed.

High voltage DC power supply

Increases energy conversion efficiency by over 10% compared with using traditional UPS; lab testing and field testing completed.

Air-conditioning air flow optimization in equipment rooms

Air goes from air-conditioning to equipment cabinets through closed air ducts, reducing air-conditioning power by 45%. Applied in 471 equipment rooms.

Ethylene glycol air-conditioner

Installs air-conditioning units using ethylene glycol as coolant at data centers to utilize natural outdoor cooling source in the Northern regions, and reduces air-conditioning energy consumption by 25% to 40%. A total of 378 units in use.

Outdoor sprinkler system for air-conditioning

Sprinkler system cools compressor, which can reduce air-conditioning energy consumption by 20%. A total of 2,448 sets of sprinkler systems installed.

Smart air exchange technology

Smart air exchange technology using outdoor cold air for cooling, which can reduce air-conditioning energy consumption by 25% to 50%. A total of 164 sets installed in 2010.



Creating a "Green Workplace"

We actively promote the notion of environmental protection within the company, and mobilize our employees to create a "Green Workplace". We encourage the use of information technology solutions at the workplace, such as conference calls and video conferencing, to reduce the consumption of energy and resources.

Meanwhile, we continue to explore the energy conservation potential of the air-conditioning and lighting systems at our workplace, save and recycle water and office paper, in order to fulfill our commitment to be environmentally friendly.

To encourage our employees to participate extensively in the Green Action Plan, from July to September 2010, we held the second phase of "My Green Action 199 (which means long lasting when pronounced in Chinese)" at our headquarters. This program helped enhance employees' understanding of the Green Action Plan and enhance their awareness of environmental protection.

We achieved this by collecting suggestions and e-works on environment protection, compiling and forwarding short messages and multimedia messages on environment protection, designing entertainment programs on environment protection and making handicrafts using recycled materials. During these activities, we collected over 2,000 e-diaries, e-journals and other original works regarding environment protection, created and forwarded over 8,000 green short messages and over 3,000 multimedia messages, made over 3,000 handicrafts with recycled waste materials, and collected over 1,000 suggestions. Through these activities, the awareness and behavior of our employees towards low-carbon and energy conservation issues were strengthened.

In 2010, through our internal office information network, we actively promoted information solutions with China Mobile's characteristics in the workplace, such as e-work and online education. We also provided our employees with green communications options such as IP phones, online collaboration tools, video conferencing, and communications assistant applications. In 2010, we had 23,600 active mobile office users, with cumulative use of 1.18 million times, over 718,000 times of video conferences and 5.96 million person-times of online training.

China Mobile Video Conferencing Use (times)

	2008	2009	2010
China Mobile video conferencing use (times)	10,000	23,703	718,627*

*2010 number includes video conferences held over our IP Multi-media Sub-system(IMS).

Pilot Promotion of Single-copy e-Invoices

In Jiangsu, in collaboration with Jiangsu Local Taxation Bureau, we developed the single-copy e-invoice management system, issuing invoices to customers in single copy, without the need of keeping invoice stubs and doing manual bookkeeping. Thus, we were able to save paper and storage space, and increase work efficiency. As at the end of 2010, this project was expanded, on a pilot basis, to thirteen city branches in Jiangsu, saving about 300 million pieces of paper and an invoice printing cost of about 30 million yuan annually.



© In Shandong, our employees signed the "green office, low-carbon life" commitment board

China Mobile Energy Saving Measures at the Workplace

Use of reclaimed water	Reuses reclaimed water to save water. Builds water reclaiming system in office facilities to recycle rain water and waste water.
Fresh air heat recovery system	Uses heat exchange between fresh air and air in the air-conditioning system to reduce air-conditioning energy consumption. Already installed in some office buildings equipped with the necessary specifications.
Lighting system	Uses intelligent lighting control and energy saving light bulbs to reduce energy consumption. From 2008 to 2010, over 2.4 million lights were replaced, resulting in electricity savings of 48 GWh annually.

【 Driving Green Development in the Industry 】

By exerting our influence over the value chain, we are devoted to long-term in-depth cooperation with suppliers and peers in green product research, development, innovation, design and resources recycling. This relationship can create a healthy industrial environment and promote the green development in the communications industry.

Advocating Innovative Research and Development

Up to date, we have signed, along with 53 suppliers, the strategic cooperation memo of "Green Action Plan" to actively cooperate on an energy conservation grading standard, innovation in product research and development and design, environmental protection and recycling, and the development of environmentally friendly products.

Formulation and Implementation of Energy Conservation Standards:

In 2010, we formulated various network equipment energy conservation grading standards such as the Energy Conservation Grading Standard for Core Network Equipment. With this grading standard, we can now incentivize principal equipment manufacturers to constantly improve the environmental performance of their products, starting from the product landmark to preliminary design. For our centralized equipment procurement in 2010, the energy conservation grading standard in the CM2 Phase (2010- 2011) was applied to evaluate the environmental performance of the equipment. We also started the energy conservation grade labeling of GSM core network and wireless network equipment and required all manufacturers to label the energy conservation grade on their equipment to improve performance.

"Green Packaging" for Communications Equipment: In 2010, we actively carried out the timber-saving pilot project for mechanical and electrical equipment launched by the Ministry of Industry and Information Technology. The percentages of main wireless equipment for 2G and 3G networks using green packaging were over 50% and 55% respectively, which saved approximately 15,000 cubic meters of timber.

"Green Packaging" for Communications Equipment

Using demountable and sectional turnover racks to replace existing wooden packing crates meets the needs for appropriate packaging, appropriate protection and reusability. It reduces packaging weight by 22%, decreases handling time, increases the usable lifecycle by five to seven times, and reduces the overall cost by 8%.

Promoting Environmentally Friendly SIM Cards: SIM card base is mainly made of non-degradable PVC materials, which cause pollution problems when discarded. In 2010, to reduce the environmental impact of SIM cards, we continued to strengthen the downsizing and recycling of SIM cards. In April, we held a fruitful meeting to share SIM downsizing best practices, focusing on unified packaging and other practical issues. In the meantime, as at the end of 2010, 31 provincial subsidiaries have started recycling SIM cards.

In Shanxi, we introduced environmentally friendly SIM cards. In the first half of 2010, we issued over sixteen million paper-based SIM cards and over 37 million mini-sized SIM cards, and we recycled card bases when selling SIM cards. We authorized the use of about 10,000 remote card writing terminals, and the utilization of the remote card writing channel reached 100%.

Green SIM Card Solutions

◎ Environmentally friendly card base

Uses paper and non-toxic materials such as ABS as card base that are more environmentally friendly; reduces energy consumption by 70%.

◎ Mini-sized SIM card

Puts two SIM cards on the same card base; reduces material use by 50%; reduces paint by 70%.

◎ SIM card recycle and reuse

Card base is recovered after SIM card is sold for recycle or reuse.

◎ Remote data updating of the SIM card

Increases the efficiency in SIM cards and number usage with over-the-air recharging and data updating, and the reuse of SIM cards.

● Application of China Mobile Green SIM Cards

	2008	2009	2010
Number of mini-sized SIM cards used (million)	11	33	520
Number of SIM cards reused (million)	0.31	0.44	0.67

Innovating the “Green Boxes” Environmental Protection Campaign :

In 2010, we continued to promote the “Green Boxes” Environmental Protection Campaign nation-wide, encouraging people to conserve resources and protect the environment by recycling unwanted mobile phones and accessories. In 2010, we recycled 1.43 million pieces of unwanted mobile phones, batteries and other accessories, with a cumulative total of 6.74 million pieces.

“Green Boxes” Environmental Protection Campaign

In 2005, jointly with our partners, we initiated the “Green Boxes Environmental Protection Campaign” as a long-term environmental protection campaign. The campaign is now in its sixth year. With the green recycle bins we set up at our retail centers as well as the business areas of our partners, discarded mobile phones and accessories can be recycled or reused after being treated by companies that specialized in electronic waste disposal.

Advocating Green Development

In 2010, we published a book named the *Green Action Plan: System Science and China Mobile's Practice in Energy Conservation and Emissions Reduction*, summarizing our thinking and innovative approaches towards energy conservation and emissions reduction.

At the same time, we actively sponsored organizations and major programs related to energy conservation and emissions reduction, and explored options to improve the overall energy efficiency of the communications industry by research and development cooperation and experience sharing.

Green Touch: In January 2010, jointly with eighteen research institutions, operators and equipment manufacturers including the Bell Lab, we established the Green Touch, an organization dedicated to improving the energy efficiency of communications networks through technical innovation. So far, it is the biggest green cooperative organization in the communications industry in the world. In November 2010, we were invited to attend the conference held by Green Touch in Amsterdam to discuss and share our practice and experience of energy conservation and emissions reduction in the communications industry.

GSMA Energy Efficiency Program: By collecting the overall operation data, the energy efficiency program under the GSM Association (GSMA) helps different operators analyze their peers' data and thus identify the potential to improve energy efficiency. In July 2010, we joined the GSMA Energy Efficiency Program and began participating in its evaluation system.

First Session of the Energy Conservation and Emissions Reduction Conference of the Communications Industry in China: In May 2010, to further promote energy conservation and emissions reduction in the communications industry, China Association of Communication Enterprises (CSCE) held the first session of “Energy Conservation and Emissions Reduction Conference of Telecommunications Industry in China” in Beijing. As the chairperson on duty for the conference, we published a research report by World Wildlife Fund (WWF): *Low Carbon Telecommunications Solutions in China: Current Reductions and Future Potential* in which our Company was used in the case study.

“Green Action Plan” Industrial Cooperation Forum: in November 2010, we held the “Green Action Plan” Industrial Cooperation Forum in Shenzhen, inviting all parties in our industry chain to participate in a discussion on energy conservation and emissions reduction technology in the communications industry and joint promotion of industrial cooperation. Participants also expressed their continued support for the “Green Action Plan”.

Innovating on “Green Boxes”

In Sichuan, we initiated the innovation and improvement of “Green Boxes” starting in 2008. Bar-code scanning, database technology and human-machine interaction are used for intelligent identification, sorting and recycling of discarded items. In 2010, the campaign was expanded throughout the province by installing the device in 110 residential communities and on university campuses. Over 80,000 discarded mobile phones and batteries can be recycled through this device.

Features of the “All-in-One Sorting & Recycle Bins”:

- ◎ Recycle bin body is designed with special openings to receive batteries and cigarette butts respectively, and automatically identify items received;
- ◎ When a recyclable item is deposited into the bin, the device information matching function will identify its category by its packaging and automatically display the refund value. The recharging system will then add this amount to the account of the cell phone number input remotely; and
- ◎ Once filled up, the recycle bin will automatically send a short message to the mobile phone of the maintenance staff for timely disposal of the collected items.



© An innovative “Green Box”

【 Promoting Environmental Protection with Informatization 】

As low-carbon ICT applications such as e-reading, remote office and intelligent transportation grow in popularity, the role of ICT in promoting the overall energy conservation and emissions reduction efforts is becoming increasingly prominent. In May 2010, in its report, *Low Carbon Telecommunications Solutions in China: Current Reductions and Future Potential*, WWF estimates that in 2009, by providing society with low-carbon ICT solutions, China Mobile contributed to the CO₂ emissions reduction of 58.20 million tonnes – 6.5 times of our total emissions. By continuing to develop on ICT information applications for individuals and industries, we are actively exploring new models for consumption and living that are low-carbon and environmentally friendly. This in turn stimulates greener economic development.

Information Applications for Individuals

As we provide our customers with convenient information applications, we also find ways to enable our customers to reduce their own environmental footprint. On the one hand, we improved our e-channels; on the other hand, we actively promoted innovative “green” consumption models such as mobile reading.

Promoting e-Service: We made great efforts in developing our electronic channels in recent years and have developed a complete electronic channels system that consists of websites, hotlines, SMS platforms, WAP platforms, self-service terminals, etc. Additionally, we launched a number of unique service features such as online payment, online number selection and online customer service. In 2010, we introduced many new e-service options that bring greater convenience to customers, such as the fuzzy query function for keywords in Chinese at our website, a unified web portal at www.10086.cn, and a centralized nation-wide cell phone service center. As of December 2010, the service volume of our electronic service channels (excluding e-recharging and inquiries) increased by 26% and reached 440 million transactions. Our electronic service channels not only bring great convenience to customers, but also lower the energy consumption associated with their reduced traffic.

Promoting e-Billing: We actively encourage customers to use our 139 Mailbox service to receive e-bills from telecommunications companies and financial institutions as an innovative way to reduce paper use and carbon emissions. In 2010, we made e-billing with 139 Mailbox the standard service setting for our GoTone, which has significantly increased the popularity of e-billing.

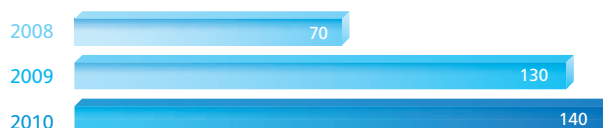
Innovating on Mobile Reading: We were the first telecommunications operator in China to offer mobile reading services. We established our Mobile Reading Base that follows the principles of “nation-wide service, single access point, centralized operation and nation-wide sales”. By developing paperless publishing, we helped reduce printing, shipping, storage and sales associated with the publishing process, resulting in a huge reduction in both publishing costs and the industry’s environmental footprint. In order to achieve this success, we developed close cooperation with prominent publishing houses and large e-reading websites. There are currently both traditional titles and originally created works published on our Mobile Reading Platform.

Percentage of Services Conducted through e-Channels (%)

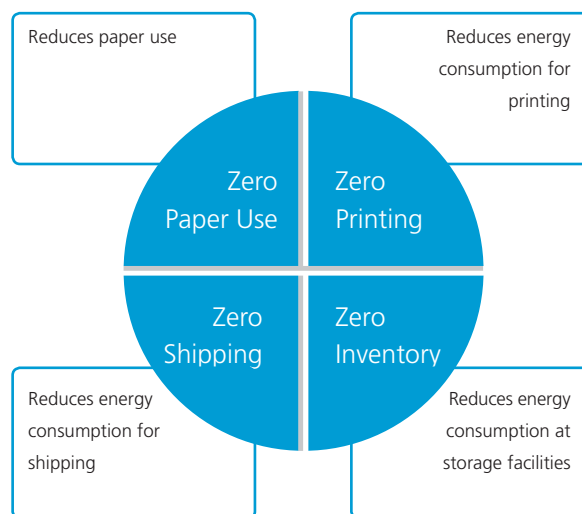


*Since 2010, this indicator is calculated based on all channels (e-channels, our own service halls, and cooperative channels) instead of our own channels (e-channels and our own service halls) used previously.

Total Value of Mobile Phone e-Recharging Services (billion yuan)



© In Gansu, we gave customers a demonstration of our mobile reading service



© Energy Conservation and Emissions Reduction Effect of Mobile Reading



© In Hebei, we installed a waste water monitoring system for a steel company

Information Applications for the Industries

We actively develop low-carbon information applications such as Vehicle Information Service and Logistics Link to help reduce carbon emissions of relevant industries. We also develop innovative information applications specifically designed for environmental protection. These help provide technical solutions to enforce stricter pollution monitoring and environmental management.

In Fujian, we successfully installed an intelligent bus dispatching system in 2010 in cooperation with Xiamen Public Transportation Group. Covering the 3,000 buses in Xiamen, the system helps the dispatching department optimize and adjust bus routes to provide local residents with a better experience on "low-carbon transportation". The 3,000 buses in Xiamen can hold a total of 500,000 commuters per day. With the newly installed intelligent system, a reduction of 4.9 tonnes of carbon emission per kilometer per day can be realized compared with driving private cars.

In Hebei, we cooperated with Hebei Provincial Expressway Administration and built the Road Conditions Information Platform. The platform was officially put into use on June 17, 2010, and by releasing real-time traffic information, traffic jams and accidents have been greatly reduced. Five months after the launch of the platform, even though one-way traffic flow had increased by 13%, the system helped reduce accident rates triggered by traffic jams by 31.25%, and reduce expressway traffic jams which were over one hour by 13.95%, generating a significant reduction in fuel consumption and total emissions.

In Hubei, we worked with retailers to promote e-coupons. We have successfully expanded this service to many large-scale provincial chain retailers as well as over 200 chain retailers at the city level. Customers can pay their bills at 4,000 plus POS machines so as to avoid wasting physical coupons and contribute to energy and resources conservation. In 2010, a total of 483,600 e-coupons were used, saving the equivalent amount of paper coupons.

In Jiangxi, we established the Poyang Lake Ecological Monitoring System. Using mobile GPRS network technology, the system wirelessly monitors the hydrology, water quality and meteorological conditions of the Poyang Lake in real time at 879 monitoring spots. In addition, we also installed 1,500 data collection points in major reservoirs and rivers in rural areas, which allowed the collection of hydrological information to be completed in two minutes.



© In Shanghai, our China Mobile Campus "Green Boxes" Community Environmental Protection Action officially became a showcase at Public Participation Pavilion of the Shanghai Expo

Public Participation in Environmental Protection

We eagerly participate in and support various environmental protection activities, and work towards raising public awareness on environmental protection.

In Fujian, during World Wetlands Day, we organized youth volunteers to participate in an environmental protection program focusing on the protection of local wetlands. Our volunteers followed environmental activists and experts to wetland on Lujia Island in Minhou county to experience, observe and learn. This experience raised their awareness of ecological protection and gave them greater motivation to encourage those around them to care for the environment.

In Xinjiang, we established the "Environmental Protection Pioneers" group and started the "China Mobile Urban Low-Carbon Action" to raise city residents' awareness of the low-carbon life. This included activities such as a DIY fashion show using old clothes, knowledge quizzes, SMS interaction, etc.

In Xizang, we worked together with relevant organizations and agencies and co-sponsored a wetland conservation program named "Plateau Green Hope Project". 500,000 yuan was raised to fund the work of opening drains, setting up boundary marker and raising public awareness of wetland protection.

In 2011, we will continue to promote "Green Action Plan" with a systematic and scientific approach. We will improve our energy management, actively introduce network equipment that is more energy efficient, and constantly optimize and upgrade network structure. We will increase the use of natural cold source and green energy in order to optimize the cooling process and energy use. We will also actively promote new energy saving technology, products and technologies to increase overall system energy efficiency. In addition, we will work closely with suppliers and customers on energy saving innovations along the industry chain and actively contribute to building a low-carbon and environmentally friendly society with abundant low-carbon information applications.

○ MOVING TOWARDS AN INFORMATION SOCIETY

According to statistics of the Ministry of Industry and Information Technology, as at the end of 2010, the number of mobile phone users in Mainland China had reached 859 million. The impact and changes that mobile phones bring to people's lives are becoming increasingly prominent. We established a new corporate vision of "Mobile Changes Life" in 2010, and took it as guidance for continuous innovation. We are committed to making people's lives more convenient by providing solutions to sustainability issues with increasingly customized mobile communications technology and information services.

Throughout 2010, we promoted the development of the Internet of Things and the "Wireless City". While building the carrier network, we developed the "Wireless City" information application for public sectors, businesses and individuals. As the fifth urban infrastructure after "water, electricity, gas, and transportation", "Wireless City" has become a key component in urban areas. As at the end of 2010, we had built "Wireless City" in 14 provinces and 77 cities. This greatly supported the development of these regions.

- ◎ We provided public sectors with various information applications including wireless web portal, mobile office, Police Information Solutions, Municipal Information Service, Environment Information Solutions and Industry and Commerce Information Solutions, along with additional information services;
- ◎ With regard to businesses, we actively promoted applications for finance, tourism, trade service, medical and healthcare, education, and public utility. These applications accelerated the informatization process of the target industries and achieved the integration of informatization and industrialization of different industries; and
- ◎ With regard to individuals, we made a collective showcase of applications including mobile TV, multimedia services, mobile comics, wireless music, weather forecast, and cultural entertainment. These services give people greater, more convenient access to information.

We actively explored the beneficial applications of Mobile Internet and the Internet of Things in 2010 and made different attempts in areas such as enhancing healthcare, ensuring campus safety, and creating a more convenient life for people.

【 Informatization of Healthcare 】

As the key component of the healthcare reform in China, mobile health is becoming an important way to raise public health awareness, enhance disease control, increase medical system efficiency, and relieve problems due to limited medical resources. Given our advantages in network and technology, we are building a health platform designed for mobile communications integrated with medical resources to promote health management as well as interaction between doctors and patients.

Information Solutions for Hospitals

We have developed information solutions for hospitals and integrated various information applications to build a convenient and easy communication channel between hospitals and the public, between doctors and their patients, and among doctors.

In Tianjin, from 2009 onwards, we cooperated with Teda International Cardiovascular Hospital to build an application platform for medical service providers - Doctor-Patient Information Solutions. This platform integrates call center, video visiting, mobile diagnosis room, and other functionalities for hospitals, doctors and patients using voice message, SMS, Internet, and video. This technology has proven to be a useful way for efficient hospital management and information exchange between doctors and patients. Doctor-Patient Information Solutions has already been used by 45 hospitals nation-wide. The video visiting system is used for over 1,500 times per month on average, and the mobile diagnosis room is used by over 300 doctors.

In Jiangsu, we jointly developed the Medical Information Service platform with Wuxi Chinese Medicine Hospital to enable 3-party interactive communications among the hospital, doctors and patients by integrating the hospital's information system with a communications system. As at the end of 2010, the total number of registered customers had exceeded 100,000 and the number of users averaged over 5,000 monthly.

With the 12580 Customer Service Platform, we also provided mobile medical service to individuals such as doctor appointment reservation, which helps deal with the difficulty in making reservation and long waiting time due to lack of medical resources.

In Guangdong, we built the 12580 mobile health service platform and provided doctor appointment service, a health information navigator, hospital information inquiry, and mobile health magazines for individual and family customers. Customers can pay with their mobile handsets when they make appointment through 12580. Then they can use the 2D barcode sent to their phones to print out their appointment sheet at self-service terminals in the hospital before they attend the appointment. This greatly reduces time spent queuing for making appointment and payment - especially for people in rural areas. So far, 93 hospitals in nine cities had already been covered by the platform, and it had successfully served over 4.5 million customers.

In Neimenggu, we offered the 12580 health navigator service that provides inquiry services for medical information and mobile services for medical institutions. In particular, the database now includes the information of 646 hospitals, 2,005 doctors, 5,272 drugs and 32 common diseases. Mobile service of medical institutions provides three functions: mobile doctor appointment reservation, medical examination result delivery, and expert hotlines. From January to August 2010, 55,752 inquiries and 17,006 doctor appointments were made, among which the rate of unfulfilled appointment is low.

Other Medical Information Solutions

Information Solutions for Medicines: We actively developed intelligent medicine supervision application with radio frequency identification (RFID) and two-dimensional barcode technology to monitor medicine production and distribution. Additionally, we developed Medicine Information Service, a mobile information service platform that aims to ensure the safe and proper use of medicine. We regularly posted information on medicine, health tips, healthy food, policy trends, and notices on major medicine-related problems.

Health Emergency Information System: To reduce the impact of public health emergencies and major disasters, we developed a health emergency information system in order to identify, report on and stay informed of health crisis in time to protect public health and safety. By combining technologies such as phone positioning and GIS positioning, our health emergency information system can give unified commands in response to emergencies, and document and file the progress.

Community Health Information Platform: By integrating various health documentation including medical records, diseases control data, children's healthcare data, women's healthcare data and disease management data, we established a Community Health Information Platform. We can use this information to provide comprehensive health care management and disease control information to local communities.



© In Guangdong, we set up dedicated service desks for the 12580 medical appointment service

Innovative Information Solutions

- © In Shanxi, since 2008, we have developed a remote mobile medical care project. As at the end of 2010, we had built three township-level remote diagnosis centers, one county-level remote diagnosis center and one provincial-level remote diagnosis center, achieving a three-tier remote diagnosis function among hospitals at the provincial, county and township level in three townships.
- © In Shanghai, in order to improve the response efficiency of ambulances, we cooperated with the 120 Medical Emergency Center and established the Instant Positioning System for Medical Emergency Calls Made with Mobile Phones. This system can locate the position of a mobile phone user who has called for help in five seconds, and relay the information to the 120 emergency system. During the first three days of the trial, a total of 5,574 positioning services were conducted.
- © In Guangdong, we cooperated with the Provincial Food and Drug Administration on the first national mobile information service platform for "medicine safety and reasonable use". The public receives three to five pieces of information on reasonable use of medicine and expert consultation every week via mobile phone. As at the end of 2010, the system had been used for 1.7 million person-times and the cumulative consultations with medical experts reached 290,000 times. Active users reached 330,000 per month on average.
- © In Hebei, we designed the Disease Control Information System on office management and disease control in conjunction with Shijiazhuang Center for Disease Control and Prevention. This system assisted the creation of a comprehensive information solution for vaccination management in Shijiazhuang. This system currently covers all maternity hospitals and 90% of outpatient services in Shijiazhuang.
- © In Guangxi, we set up an electronic health records management platform, and established point-to-point connections between 130 community health and medical service centers in Nanning. This platform helps public health agency monitor local health conditions and conduct disease control and prevention, protecting the health of 2.6 million residents.

New Rural Cooperative Medical System (NRCMS): Towards a Healthy “New Countryside”

In 2009, we signed a strategic cooperation agreement with Guizhou Health Bureau to jointly build and promote a new rural cooperative medical information management system. This system was used to solve the imbalance of development, lack of data sharing, lack of maintenance support, and ineffective management that has bothered NRCMS for years. This system now covers 48 counties, 579 townships and 3,095 medical institutions in Guizhou, and 20 million farmers in the province participating in NRCMS can enjoy instant reimbursement and subsidy service.

During the project, we built a five-tier (at the provincial, regional, county, township, and village levels) seamless business network platform with a centralized data center. It had ten functions including subscription management, financial management, local direct subsidy, cross-region direct subsidy, decision analysis, etc.

For farmers: This system is the only medical information project that developed a five-tier network in China. With instant reimbursement, simplified reimbursement process, instant settlement, and direction deduction, farmers now can enjoy a healthcare system which allows them to “treat minor illness without leaving their village and treat severe illness without leaving their county.” This system also offers cross-regional direct subsidy and cross-provincial reimbursement for participating farmers. NRCMS simplifies the process for farmers to consult doctors in different regions, reduces their waiting time for reimbursement, and eliminates the need for cross-regional reimbursement.

For government: By monitoring fund use and the reimbursement process, government administrators can ensure transparency, effectively prevent improper prescriptions and reimbursement, and ensure the subsidies are properly used.

For hospitals: The system provides an integrated data platform that is used and shared throughout the province to increase the efficiency of the medical system. For example, account management for outpatient service used to take seven to ten days to complete. Now it only takes half an hour to complete with NRCMS.

This innovative NRCMS model featuring “mobile service + health care” and “renting instead of building” received many recognitions and was referred to as the “Guizhou model” by Dr. Margaret Chan, Director-General of the World Health Organization.

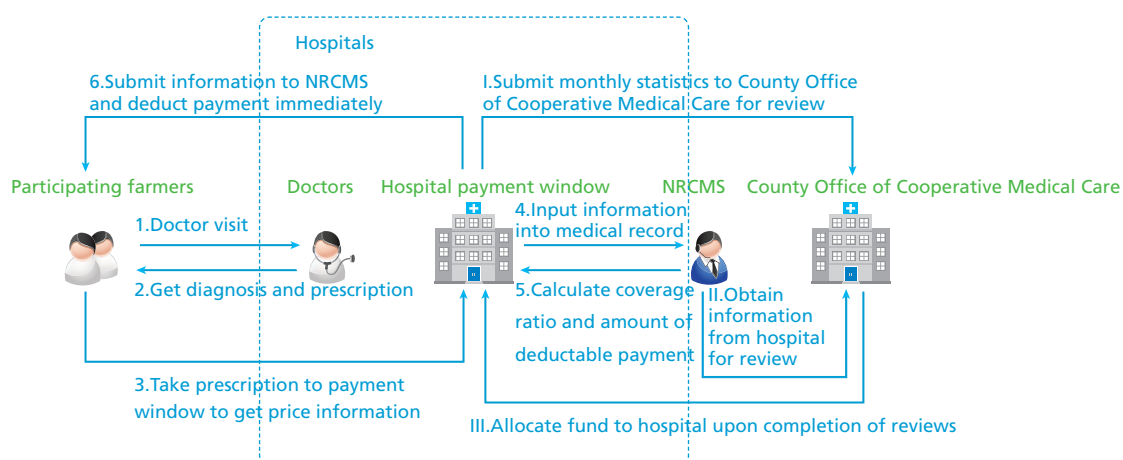
We will continue to expand the application of the NRCMS model to areas such as promoting special care and subsidies, health care record management, emergency commands and disease control, making new contributions to the development of a healthy “New Countryside.”

The New Rural Cooperative Medical System

The New Rural Cooperative Medical System (NRCMS) is a cooperative comprehensive arrangement for farmers with serious disease that is organized, guided and supported by government, voluntarily taken part in by farmers, and financially supported by individual payment, collective support and government subsidy. NRCMS helps farmers overcome the high cost of medical care and avoid poverty created by severe illness and is well received among farmers.

We have only just begun our efforts in mobile health. Looking forward, we will continue to develop and enrich our current applications for mobile health, cooperate with the health management department to advance mobile health, explore various cooperation models, and explore solutions to effectively alleviate medical resource shortages and information asymmetry between doctors and patients. Furthermore, we are devoted to improving medical care and health system efficiency, as well as disseminating health care and disease-control knowledge. We will actively participate in the transformation of overall medical care for society.

● Flow Chart of Guizhou NRCMS Information Management System



【 Informatization of Education 】

In order to further promote communications among schools, parents and students, help schools improve their information management capability, efficiently inform parents of the children's performance at school, and help students enjoy a safe learning environment and healthy childhood, we have created the Campus Information Service for schools to address the issues of communications between parents and schools, campus safety, and digital education.

Promoting Parent-School Interaction

With the consent of the parents, we arrange to send student performance reports to their parents regularly and in a timely manner through SMS, telephone calls and the Internet. This not only helps parents understand their children's academic performance, but also connects academic education with family and social education. By the end of 2010, our Campus Information Service served 89,020 schools of different types, covering 70% of urban primary and middle schools, 19.53% of urban kindergartens and serving nearly 1.3 million teachers, and nearly 45 million parents in Mainland China.

Building "Safe Schools"

School safety is a key element for social stability. We are actively promoting the construction of "safe school" by card-reading identification at the entrances of schools, student positioning by special mobile phones, SMS to parents on the students' safe arrival at school and instant SMS information on emergency. Previously, similar technology played an important role during epidemics, natural disasters such as snowstorms and typhoons, and school safety incidents. As at the end of 2010, instant SMS service already covered 80,000 schools in Mainland China, and nearly 20,000 card reading information terminals had been installed and nearly 1,000 schools had installed video security surveillance devices.



© In Gansu, students signed in on our Campus Information Service at a primary school while the system sent an SMS message to inform their parents of their safe arrival

In Zhejiang, we conducted an additional "safe school" information base project. We built "safe school" information pilot bases on 31 campuses of 24 schools and kindergartens. Through these bases, we provided effective technology support to address the key issues of ensuring school safety including education-related safety alert, accident prevention, accident investigation, safety data management, and emergency response.

Building "Digital Schools"

Through mobile communications and an Internet platform, we actively support the construction of "digital schools" to provide schools with easy-to-use and cost efficient digital school applications, together with standardized service support. In addition, since some base stations are located in villages in remote areas, we also fulfill the Internet connection needs for some village schools.

In Guangdong, we used the Internet as a tool to reduce the educational disparity between urban and rural areas. We supported the Education Bureau in connecting 2,000 schools with Internet and promoted the balanced development of education within the province.

In Xinjiang, we provided major applications including office automation, intelligent course scheduling and score management to schools. So far, more than 200 schools in Urumqi have adopted these applications.

In Hunan, we took "communication" as the key point. We provided new, comprehensive, instantaneous and efficient communication methods to teachers and students by voice message, SMS, email and WAP services. We also solved the problems of high cost and information delays between management and teachers; as well as between teachers and students.

Looking forward, we take "Building a Grand Education Platform, Innovating Education Development and Promoting a Balanced Education" as the development direction of information solutions for education. This entails continuously optimizing and upgrading information applications in the Campus Information Solutions, building an open education Internet platform, fully integrating excellent resources of upstream and downstream along the education supply chain, and providing a comprehensive and safe platform for stakeholders in education to communicate, share and exchange information.

【 Informatization of Daily Lives 】

In 2010, we continued to expand our mobile information services to improve people's lives and strived to provide a safer, more convenient, and more effective mobile life experience.

Creating a Convenient Living

We work closely with government sectors and social service providers to leverage our technology advantages to improve people's lives.

In Jiangsu, we worked hard to promote an "intelligent life" using the Internet of Things technology. With regard to water supply, we helped the administrators monitor data by adding Internet of Things sensor devices at key points. With regard to the supply of electricity, we built electricity data collection and operation management system platform and added Internet of Things sensor devices at key monitoring points. With regard to gas supply, we realized remote sensor delivery of various property data including gas flow, air pressure and temperature, to prevent gas leak, over-pressure and other potential risks.

In Henan, we actively explored innovative information solutions for large communities. We successfully built a property management platform for large communities and achieved convenient release of information including water and electricity fees, property management fees, and community notices for more than 50,000 people in 26 communities. In addition, we cooperated with Luoyang Bureau of Labor and Social Security to establish the Luoyang 12580 home service call center, which provides one-stop services for those seeking the services of babysitters, cleaners, home tutors and couriers.

In Hunan, we established the 12366 tax service hotline in partnership with the provincial Bureau of State Taxation. Tax payers can check tax laws, file complaints, and offer suggestions in real time. This service, to the greatest extent, provides authoritative, accurate and timely information to tax payers.

In Hainan, we conducted several pilot projects such as the international tourism island mobile payment and e-tickets. We also developed a proposal to build an e-ticket platform with three function modules, which can be used in selling, transfer and verification of tour or movie tickets, membership management and identification verification.

Building "Safe Communities"

China Mobile is also active in building "safe communities" through mobile communications technologies.

In Jiangsu, we developed the mobile Care Information Solutions monitoring system in cooperation with Nanjing Police Department. Police can locate lost or missing individuals using this system, which is helpful when searching for lost children and elderly individuals.

Additionally, the system can transmit on-the-spot voice without alerting criminals, and thus help police in their rescues. Furthermore, we worked with government agencies to develop the information service products — City Guard and Safety Information Solutions. These products improve real-time monitoring of public security and the traffic situation at 63 key monitoring locations, toll gates and communities in Tongshan district of Xuzhou city.

In Xizang, we established the 1211006 SMS Police Help Platform that facilitates the deaf and the mute to call the police.



© In Gansu, our real-time bus information system brought convenience to passengers



© In Hebei, we deployed community service terminals allowing quick access to related services

Ensuring Food Safety

To help address the increasingly serious food safety issues, we created the “animal traceability” and “food traceability” applications in 2010. Together, these effectively traced the different cycles of food production. This way, we help prevent unqualified food from entering the market and protect consumers’ safety.

In Anhui, we cooperated with the provincial Commission of Rural Affairs to conduct an animal traceability project. By label coding, label imprinting, identification, data entry and transmission, and data analysis and inquiry, we monitored all procedures from the birth of animals to epidemic prevention, transportation, slaughtering and consumption. This process not only makes data collection more effective but also makes data analysis more comprehensive and convenient.

In Hainan, partnering with the provincial Agricultural Department and Xinhua News Agency Hainan Branch, we set up a quality safety monitoring system for winter fruits and vegetables. This system solved the “last kilometer” challenge of customer information connection, and addressed the product safety issues of agricultural production regarding residues of pesticides and fertilizers. The system monitors the quality of farm products in the province from the field—rural information assistants of the Agricultural Department can gather real-time information of agricultural production with customized wireless intelligent handheld terminals, while consumers and quality inspection officers use the public service platform to trace the products sold on market.

In Shaanxi, we created a food safety inspection system with the Industry and Commerce Bureau. Law enforcement officials can directly query recorded data of food products such as bar codes, product name and specifications using mobile terminals. This efficiently improves food safety inspection efforts.

Building an Employment Platform

Employment is one of the most imminent problems in our society. In recent years, unmatched job information has been one of the three major barriers to more efficient employment. To relieve social pressure on employment, we built the Employment Information Solutions platform. Job seekers can obtain abundant job information through 12580, 12582, SMS, MMS, the Internet, WAP, and mobile terminals, offering a convenient, efficient, low cost and reliable job seeking tool.

In 2010, we started the Employment Information Solutions pilot project in Jiangsu, Guangdong, Zhejiang, Hunan, Fujian and Gansu. As at the end of 2010, the total number of people that had used the 12580 Employment Information Solutions reached five million.

Providing Information Solutions to Promote Employment Growth

In Jiangsu, we cooperated with the provincial Bureau of Human Resources and Social Security to create the Employment Information Solutions information service platform. This platform created new models of “information seeks people” with optimized job matching, thus provided effective and convenient employment information service to job seekers.

- ◎ **Credible and Reliable Information.** A strict “automatic plus manual” verification process is established under the Employment Information Solutions platform. First, it filters key words and then conducts regular manual examination. Companies that have released false information will be blacklisted.
- ◎ **Comprehensive and Convenient Services.** Job seekers can register, input and search information through different channels such as mobile terminals and the Internet. Companies can upload information through the Internet, dedicated data line, or their account managers following standardized templates and rules to ensure the completeness of job information.
- ◎ **Accurate and Efficient Auto-matching.** The completed platform can provide services to ten million job seekers, hold ten million job postings and send seven million pieces of matching information each day. As of the end of 2010, the platform has sent fifteen million SMS on employment policies and three million SMS on information on job fairs to registered customers. The number of updates on jobs averaged 5,000 pieces per day. The number of matched job seekers exceeded 390,000 and the matching rate between customers and recruiting companies reached 78.26%.

“ I spent days at job fairs without any positive result. Then a classmate recommended the Employment Information Solutions to me. I registered and input my job preference. I started receiving job postings that matched my preference the very next day, some of which are perfect fits for my expertise. After contacting several potential employers, I got the opportunity for face-to-face interviews. Now I have already signed an agreement with a company and I am expecting to start my new job in two days! ”

—Ms. Lin, Job seeker, Jiangsu province

Looking forward, we will further provide abundant and comprehensive community information applications in an effort to meet the various information needs of people’s daily lives. Our goal is to improve community management efficiency and service level to ultimately create a more convenient life for each individual.

SUPPORTING THE COMMUNITY

Chinese society is facing many profound changes, including rapid economic growth, industrialization, urbanization, and globalization. As a result, our society is undergoing significant structural changes that challenge the way our society functions, such as how we manage our traditional society, and how wealth is distributed. Faced with an increasingly aging population, growing income disparity, and frequent occurrences of major disasters, charity is playing an increasingly important role in helping us ensure social stability and harmonious development in China. Bearing in mind our responsibility to society and charitable causes, we founded the China Mobile Charity Foundation in 2009 to fulfill our long-term commitment to society. In 2010, we further enhanced the governance and transparency of the Foundation, and continued to strengthen our efforts in supporting education and community development, and caring for disadvantaged groups. As a good corporate citizen, we used our unique platforms to advocate for volunteerism, allowing our employees and the public to participate in advancing charitable causes and give back to society. In 2010, we were granted the highest government award in public charity and philanthropy, the China Philanthropy Award, for the second consecutive year, and were named as No. 1 enterprise on the list of “Most Caring Domestic Enterprises.”

【Enhancing Management of Our Charity Foundation】

The core principles of the China Mobile Charity Foundation are: “sincerity, concentration, harmony, and sharing”. Our goal is to make the Foundation continue to be a highly efficient platform that coordinates our charity resources and philanthropic programs.

In 2010, we focused on enhancing the leadership ability and organizational structure of the Foundation. A number of regulations and rules were developed for the Foundation, including *Council Meeting Procedures*, *Regulations on Charity Program Management*, and *Regulations on Financial Management*. In addition, we launched the Foundation’s website in 2010 in order to enhance information disclosure, facilitate public supervision, and strengthen communications with our stakeholders.

In 2010, the Foundation donated a total of 20.20 million yuan to support charitable causes. Major donations include: twelve million yuan to our China Mobile Education Support Program, three million yuan to areas in the southwest affected by drought, three million yuan for the Yushu earthquake in Qinghai province, three million yuan to the Zhouqu mudslide in Gansu province, and 200,000 yuan to the snow storms in Xinjiang autonomous region. These donations strongly supported our charitable endeavors.



© In Hebei, two students browsed through book collections in a China Mobile Library

【Supporting Education】

Supporting education has been a key charitable cause for China Mobile. In 2009, we consolidated our education-related charity programs under the theme of “China Mobile Blue Dream Education Charity Plan.” This program focuses on the strategic areas of education infrastructure, training for educators, and supporting students in need. We streamlined our programs, consolidated resources, and continued to play an active role in fulfilling our commitment of supporting education.

In 2010, we continued to implement our programs under the China Mobile Education Charity Plan and funded a number of education-related programs, such as building libraries and multimedia classrooms, training principals from western regions, and establishing work-study centers.

Developing the Education Infrastructure

Lack of infrastructure is a big impediment to the development of education in remote and poor areas. We have been actively supporting the efforts to improve education infrastructure in central and western China by focusing on the China Mobile Library Program.

Between 2006 and 2008, through the China Mobile Library Program, we had built 1,000 libraries in 23 provinces in central and western China, which included a donation of 2.317 million books. With the newly founded China Mobile Charity Foundation, we streamlined our programs and planned to donate 20 million yuan between 2009 and 2011 for the building of 500 libraries and 500 multimedia classrooms in central and western China.

In 2010, we built 175 “China Mobile Libraries” and 175 “China Mobile Multimedia Classrooms” in poverty areas in central and western China. In addition, we organized a student essay contest among the 1,350 schools where we had built libraries. Some of the selected 211 outstanding essays were included in the publication titled *Happy Reading with Love*.

In **Guangxi**, our “Mobile Library” program helped students in mountain areas fulfill their dreams of reading. The program was carried out at six primary schools. The program also made students “little librarians” to help them develop the sense of responsibility. Books will be circulated and exchanged among libraries to allow sharing and better use of resources.

Training for Educators

The quality of education is closely tied to the quality of the educators. With the Principal Training Program, we organized trainings and exchange programs to help improve education equality in central and western China.

Between 2006 and 2008, we implemented the Western China Principal Training Program and provided training for 3,600 principals from rural primary and middle schools in twelve western provinces in China. The China Mobile Charity Foundation plans to donate another fifteen million yuan between 2009 and 2011 to train another 33,000 principals from western China.

In 2010, we achieved the annual goal of training 1,000 primary and middle schools principals from western China with our "Shadow Training" program and 10,000 primary and middle schools principals from central and western China through remote training.

Support for Students in Need

Through point-to-point sponsoring and setting up work-study programs, we provide financial aids and work-study opportunities for students in need to help them overcome difficulties and finish their study.

In Henan, we had supported the education charity relay program for five years in a row. In 2010, we sponsored 100 newly matriculated university students under the theme of "Love Relay, Love for New Henan". We also gave internship opportunities and encouraged students to take part-time jobs. By the end of 2010, we had donated more than three million yuan and sponsored 400 university students, 200 teachers, and 1,600 rural children who were in financial needs.

In Guangdong, since 2008 we have been working with Guangdong Provincial Committee of the Youth League and the Guangdong Youth Development Foundation to host charity events for the Project Hope Education Program. The annual events – Touching Guangdong (2008), I Love Guangdong (2009), Innovative Guangdong (2010) – raised over ten million yuan and sponsored nearly 7,000 students in need.

Enriching Campus Culture

As we continued to implement the China Mobile Blue Dream Education Charity Program, we also worked hard to enrich the campus culture and provide a cultural environment for young people to grow up healthily.

In Shanghai, we partnered with Shanghai Symphony Orchestra and established the Music Workshop program as the first interactive classroom on symphonies in China. Participating students could not only experience live music performance but also gain in-depth understanding of music pieces from classical music masters.



© In Neimenggu, we established a Youth Employment and Entrepreneurship Base

"Care 100" Education Charity Program

In Shaanxi, we launched the "Care 100" program every year from 2006. We donated 800,000 yuan and established the "Care 100" Scholarship for students in need. Every year we sponsored 500 graduating university students and offered 1,000 work-study opportunities for all university students. We also encouraged the participation of employees, customers, business partners and society in helping the students and provided an SMS platform for people to make donations.

With five years of experience, we developed a long-term mechanism for sponsoring education and a "4-in-1" fundraising mechanism for soliciting donations from companies, employees, social organizations and customers. We also adopted closed-loop management regarding our charity activities, such as donation, application, approval, public notification and fund distribution.

As of the end of 2010, about 150,000 China Mobile customers had used our SMS donation platform and donated about one million yuan cumulatively, sponsored 2,500 newly matriculated university students in need, provided over 6,000 work-study opportunities for all university students, and gave out over eighteen million yuan as scholarship and financial aid.

【Facilitating Community Development】

We seek to grow together harmoniously with the community where we operate. We actively participate in poverty alleviation, care for the welfare needs of disadvantaged groups, explore innovative ways to create employment opportunities with our new business models, and contribute to the development of harmonious society.

Poverty Alleviation

In 2010, we continued supporting poverty areas by providing financial aid, technical assistance, and management support. At the same time, we actively supported the development of information technology in poverty areas, promoting poverty alleviation through information solutions.

In Xizang, we continued the poverty alleviation work in Gerze county, Ali prefecture. As of the end of December 2010, we had sent eleven employee

volunteers to the area in six groups, provided 108.69 million yuan as financial support, and carried out over 80 development programs focusing on infrastructure development, education, health care, housing, energy, and ecological protection, which play an important role in helping develop the local economy and improve the living standards of the local community.

In Heilongjiang, we continued the poverty alleviation programs in Tanguan county and Huanan county. As of the end of December 2010, we had sent seven employee poverty alleviation volunteers to the region and invested 42.20 million yuan to improve local education, health care, transportation, water supply, and other infrastructure projects. We extended our support to the construction of local telecommunications network, built one disaster-resistant super-base station for each county, and improved the network coverage and network capacity in remote areas.

Exploring New Development Models: Poverty Alleviation with Information

In Guangdong, we actively responded to local government's poverty alleviation initiatives and explored a new poverty alleviation and development model that focused on information, mindset, and ideas. Using our development model, we helped local people develop in two steps: "first poverty alleviation, then economic development". Our work benefited about 5,000 households in 100 poverty areas in the province.

Regarding poverty alleviation, we initiated the normal poverty alleviation mechanism in personnel management, financial input and working mechanism.

- ◎ Selecting a hundred "village officials" with clearly defined responsibility. In 2010, we selected 103 capable employees and sent them to villages on full-time or part-time basis to act as the liaison for the poverty alleviation information and programs. Each of them was required to submit documentation on the planning, implementation, and financial results of poverty alleviation programs.
- ◎ Encouraging communications on ideas and knowledge for poverty alleviation. We organized training sessions at 100 poverty areas for both our employees and local government workers on policies, agricultural technology, and successful poverty alleviation case studies. We also took measures to encourage the communications between our employees and village officials and among the different poverty alleviation program sites.
- ◎ Solving difficulties and building confidence. We began with helping people build confidence in themselves and their future by helping them solve their difficulties, such as housing improvement, education for children, etc.

Regarding wealth development, with the principle of "blood generation instead of blood transfusion", we focused on capacity building in order to enable aid recipients to achieve steady economic development on their own through programs that were "sustainable, integral, and replicable."

- ◎ Employment-based poverty alleviation. We established relations with potential employers and sent their job information to our poverty alleviation program sites. In 2010, we helped 70 people find jobs and income from one job could help an entire household. Each job added nearly 2,000 yuan to their monthly family income.
- ◎ Developing agricultural production. We introduced the "Company-Farmer-Production Base" model for agricultural production to our program sites. We invited experts to take field trips to our sites to teach farmers agricultural technology and to analyze the demands for local agricultural products and held a discussion on how to make structural adjustment of the local agricultural practice. In 2010, we developed the "139 Happy Farmer" project, using an Internet platform and information technology to support the production and sales of green farm products. This project generated an economic income of about 150,000 yuan directly for participating farmers.
- ◎ Making full use of resources. We developed a number of information services, such as Campus Information Service, Medical Information Service, Agricultural Information Service, and Rural Information Terminals, in order to give farmers access to useful information to grow their wealth.

Caring for Disadvantaged Groups

We continued to work on the “Warm China 12·1 Charity Fund – China Mobile Care Operation” program that cares for children orphaned by AIDS. In 2010, the program hosted its third management committee meeting. The program has already granted over ten million yuan to provide living and education assistance to a total of 12,229 children orphaned by AIDS and improved their living conditions effectively in 2010.

The “Warm China 12·1 Charity Fund – China Mobile Care Operation” program is now the largest charity program in China focusing on children orphaned by AIDS or living in extreme poverty. In December 2010, we were invited to attend the “2010 Corporate Social Responsibility Summit on AIDS,” hosted by the State Council AIDS Working Committee Office to share our experience. This program became the featured case study of the “CHARTS Application Research Consultancy Project” of the Office. This further increased the influence of and public participation in this program. In 2011, this program plans to grant a financial aid of over ten million yuan and fund more than 10,000 children orphaned by AIDS or living in extreme difficulty.

Our provincial subsidiaries also carried out a number of charitable activities to care for disadvantaged groups, such as poor hearing impaired children, single mothers and elderly with cataracts.

In Zhejiang, in cooperation with the Zhejiang Foundation for Disabled Persons and the Zhejiang Center for Hearing and Speech Rehabilitation, we launched a joint program, the Action Dream, that aimed at providing hearing training to hearing-impaired children living in poverty. The program planned to fund the rehabilitation cost for 500 children from 2010 to 2014, and establish three properly equipped “Charity Hearing Centers” to address the rehabilitation need of hearing-impaired children in the province.

In addition, we launched the Charity Credit Giving Program to support the Action Dream Program. 76,000 customers participated in the program started and donated a total 37.67 million credit points. As of June 2010, we had already completed the selection of 100 hearing-impaired children and to receive their rehabilitation first.

In Guangdong, we launched the Support Plan for Single Mothers in Need with the assistance of the Women’s Federation and the Foundation for Poverty Alleviation. We donated ten million yuan to help 5,000 single mothers in difficulty improve their life with programs such as agricultural production assistance and employment assistance.

In Shanghai, we worked together with the Shanghai Charity Foundation and local hospitals to launch the “Light up Your Vision” charity program in 2010. The program will last for three years and plans to support over 50 seniors to get cataract surgery each year. In 2010, we also invited 20 poor seniors who had received cataract surgery to experience the wonders at the Shanghai Expo with their own eyes.

We carried out many charitable activities for migrant workers, providing them with necessary help and support, and helping them better fit into the new environment and become new residents of the city.

Caring for New Generation Migrant Workers

In Fujian, in order to help migrant workers better fit into city life, we conducted the “Caring for New Generation Migrant Workers” program with the following five aspects based on their needs:

Career development: We consolidated resources of provincial Department of Human Resources and Social Security, human resources service providers and over 20,000 employers within the province and established the 12580 Haixi Employment Platform for a more convenient and assessable job search process. By the end of 2010, we had provided over 400,000 job postings, and sent out 5.24 million job posting MMS and 5.47 million job posting SMS for free.

Worker’s rights: Each year, we cooperated with trade unions, government agencies and insurance companies to carry out the “Insurance Gift” program. By now we have sent out more than one million insurance policies, among which 1,674 injured migrant workers were compensated 4.54 million yuan in total.

Communications: We carried out the Return to Hometown with Love Program to help migrant workers return to their hometown during the Chinese New Year holidays and give regards and help to those who stay. Our Hometown Express Program helped about 800,000 migrant workers return to their hometowns with specially arranged trains.

Children’s education: We set up a “Caring Mom” hotline to connect more than 10,000 children from migrant worker families with volunteers. We also founded the Haixi Charity Fund to help children that migrant workers left behind in rural areas. By now we have sponsored 479 children’s education, granted over one million yuan for educational financial aid, and helped ten schools for children of migrant workers build libraries.

Culture: We organized the first SMS contest for migrant workers to submit holiday greeting SMS messages they created, and mini-essays and mini-opinions based on their experience in Haixi. This facilitated their transition in order to make better adjustment in Haixi. The event attracted around 184,000 participants during its first four months, and during the same period a total of 6.755 million SMS messages were sent among participants.

Promoting Employment

We have created many employment opportunities with our own business development. As of 2010, there were over 2.2 million employment opportunities brought about by China Mobile's related businesses. Besides, we actively develop employment and internship opportunities and participate in charitable programs that relate to employment or entrepreneurship so as to help ease employment pressure.

In 2010, leveraging on our giant customer base, strong brand image and the influence of the Internet, mobile phone and other new media, we worked together with relevant parties and launched the Mobile Market Million Youth Entrepreneurship Action (MM Entrepreneurship Action).

Since its launch in August 2010, MM Entrepreneurship Action has expanded to 31 provincial subsidiaries nation-wide. As of December 31, 2010, it covered over 3,000 high schools, developed over 20 college entrepreneurship development bases and over 100 MM entrepreneurship associations, conducted over 300 MM entrepreneurship trainings, attracted 1.1 million young people to join the program, and received a total of 500,000 proposals.

Following the philosophy of "teaching a man how to fish" instead of "giving a man a fish," we integrated business development with our responsibility to community into our "Smart Entrepreneurship Platform," which has received a lot of recognition from society.

Our provincial subsidiaries also initiated many effective programs to support the creation of jobs and entrepreneurship.

In Xinjiang, we launched the "Setting Sail" program and established the "Minority Youth Employment and Entrepreneurship Base" to help unemployed ethnic minority young people start their own businesses. The program plans to set up 1,383 village level volunteer stations in 1,383 villages in Hetian, benefiting at least 1,500 young people by 2012. As at the end of 2010, this program covered 86 townships.

In Gansu, we worked with the provincial Youth League and established internship bases for college students. In 2010, 1,000 college students received internship opportunities through this program.

MM Entrepreneurship Action

MM Entrepreneurship Action is a Mobile Internet based environment and mechanism that uses our Mobile Market business platform as the carrier. Its target group is young people, especially university students. With the free entrepreneurship education and training, incentive mechanism and entrepreneurship and employment opportunities that it offers, MM Entrepreneurship Action helps students develop their capacity and readiness for future employment and entrepreneurship opportunities, allowing them to fully realize their value to achieve their ultimate goal as entrepreneurs.

MM Entrepreneurship Action is virtually a worry-free mechanism for participants because of its characteristics of "low threshold, low cost and low risks."

- ◎ It offers three different entrepreneurship packages (A, B and C) for different types of developers to realize the dream that "everyone can start up his or her own business". People who have technical development capability or creative ideas can participate through idea development platform and remote testing platform;
- ◎ It offers free certified online learning and training, lecture series in universities and hi-tech parks, and entrepreneur development bases to help participants lower their costs; and
- ◎ We offered 1,000 internship opportunities to promising developers with which they can work for one to three months at China Mobile provincial subsidiaries, helping them build their skill sets and better adjust themselves for job market.

【 Encouraging Volunteerism 】

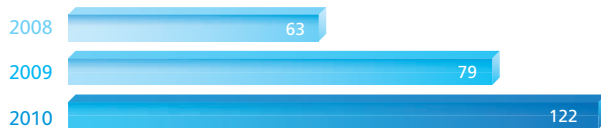
In 2010, we continued to enhance our employee volunteer organizations by focusing on establishing the electronic volunteer management platform and facilitating communications among volunteers. Nineteen of our provincial subsidiaries have formed their own employee volunteer organizations with over 80,000 volunteers in total. We will continue advocating for volunteerism and help transform it from short-term goodwill into long-term charitable commitment.

In 2010, we developed a long-term cooperation with Junior Achievement (JA) and encouraged volunteers to exchange ideas with students in relation to their career planning and life attitudes.

We also worked closely with the China Mobile Charity Foundation and organized volunteers to care for children orphaned by AIDS and for children living in poor mountain areas. Volunteers went to their classrooms and playgrounds, and showed them around in a tour around Beijing to bond with these children.

We continued the hand-in-hand education charity program in Libing Middle School in the Sichuan earthquake disaster area. As of December 2010, we had 50 volunteers sponsoring 25 students. They helped the students with their education and life, and developed strong bonds with the students during 2-on-1 discussions and regular visits and distributed learning materials and sports equipment to them.

● Total Hours of Employee Volunteering (10,000 hours)



In Xinjiang, we set up a volunteer service team with more than 2,000 volunteers. The group made their own flag and badge, and planned and carried out a series of volunteer activities. 30 female employees went to Yining School for Disabled Children to be a “Caring Mom” and gave our love to more than 40 children there. Volunteers held a barter event in Urumqi, together with an auction to sell items not bartered out, and then



© In Jiangxi, our employee volunteers provided assistance at a train station during the peak season near the Spring Festival

donated the auction proceeds to the SOS Children Village and spent time playing with orphans. In Kuitun city, the volunteers visited elderly nursing homes and took care of seniors.

In Gansu, we established the China Mobile Gansu Blue Dream Association and adopted a charity model that relies on in-depth participation of our employees. In 2010, we organized 25 education support activities with a total participation of about 750 person-times. We built ten China Mobile Libraries, and used the libraries to launch volunteer activities.

In Guangxi, we established our own employee volunteer organization and recruited 60 external volunteers to help with volunteer training, guidance and support. We launched the “Pass on Love with Mobile” program. With its two sub-programs, the volunteers engaged in a number of volunteer activities such as environmental protection, supporting education, charity fund raising and caring for disadvantaged groups. In addition, we set up a blog, “Pass on Love with Mobile”, to share our experience.

“ This spring, our “Pass on Love with Mobile” charity program is coming to an end. The spirit of volunteerism warms and nourishes the world, just like the breeze and the drizzle in spring. During our program, not only do we get to meet many warm-hearted friends, but we also get a deeper understanding of the problems in our society. We work as a team and help others to overcome difficulties. In this process, what we harvested is not only hope, but also ourselves. ”

—Xiao Wu, “Pass on Love with Mobile” volunteer



© In Anhui, our volunteers went to primary schools to help with classic Chinese literature education program



© In Shaanxi, our employee volunteers carried out an activity



© In Sichuan, our employee volunteers grew trees in disaster areas last year

In Anhui, we partnered with the provincial volunteer community service team and carried out the “Etiquette to Neighborhood and Classics to Household” program, aiming at improving the moral principle standard of the community residents through education of proper etiquette and classic Chinese literature. By December 2010, we had recruited over 300 volunteers from schools, the community and our company. We organized over 200 recital events of classic Chinese literature.

In Ningxia, our employee volunteers have been working with the Muslim Orphanage for years and have set up a Caring Center. In 2007, we set up the “Caring Line” that helps children communicate with families or caring volunteers. In 2008, we organized the Care Performance, and set up a Care Library. In 2009, we brought Caring Movies and set up a Caring SMS Platform. In 2010, we visited the children and brought them school supplies. Their long-term caring and involvement with the children’s growth helped them develop a happy and healthy life.

Besides promoting employee volunteerism, we have also explored the potential of developing a long-term volunteer and charity mechanism for our customers. In 2010, we delivered a total of over fifteen billion public service SMS and MMS messages.

In Guangdong, with the 10086199 SMS donation platform and the 10086222 GoTone member point donation platform we established, we encouraged customers and the general public to pay attention to charity and join their forces to help.

In Jiangsu, we developed the “Jiang Hai Volunteering Service Platform” to automatically match volunteering information with demand for volunteers and to improve management on charitable activities. After registration, volunteers can gain access to service information and service time statistics through SMS and web access.

Looking forward, we will continue to rely on the China Mobile Charity Foundation, advocate for charity, encourage volunteerism, and support education and disadvantaged groups including children through various charity programs and events. In addition, we will actively evaluate the social impacts of our charity activities and explore more effective ways to allocate charity resources, in order to make greater contributions to advancing social harmony.

IN-FOCUS: BETTER MOBILE, BETTER EXPO

On September 27, 2006, we officially became a global partner of the World Expo 2010 Shanghai. Since then, we were actively involved in the preparation and running of the Expo, and made tremendous efforts in ensuring quality communications services for a successful, splendid, and unforgettable Expo. Centered on the theme “Great Expo, Ubiquitous Mobility,” we strived to fulfill our commitments of the “Three Mosts” to the Expo – “the Most Cutting-Edge Technology, the Most Excellent Showcase, and the Most Considerate Service” together with proper coordination of support in terms of both human resources and material resources.

Key Data of China Mobile's Service for Expo

- ◎ We had a record-high of 640,000 customers in the Expo Park at the same time. We successfully handled the high peak voice traffic (the highest was at 11,463 Erl) and ensured smooth communications support. Our average voice call drop rate in the Expo Park was less than 0.1%, and the wireless connection rate was over 99.8%;
- ◎ We provided an outstanding showcase of TD-LTE that attracted high attention, including close to 4,000 VIP guests in 270 groups as well as over 20 million Expo visitors. Mr. Zhang Dejiang, Vice Premier of the State Council, among other leaders and experts from all over the world, visited our exhibition and gave us high regards;
- ◎ During the Expo, our exhibition operated for 184 days non-stop and attracted over 3.1 million visitors in total;
- ◎ 77,000 visitors used our mobile ticket system, and our 12580 Expo Information Service received 7.59 million inquiries in total; and
- ◎ The three China Mobile service halls in the Expo Park handled 36,800 transactions, and the average manual connection rate within 20 seconds of our service hotline exceeded 92%. Our service helped visitors better enjoy the Expo.

“ During the four years of cooperation regarding the Expo, China Mobile has been at the forefront of communications technology. The construction and perfect demonstration of the first TD-LTE showcase network with full domestic intellectual property is a highlight of the Shanghai Expo. China Mobile cooperated with the Expo organizers to make the Expo an “Expo of Science and Technology” with the development of the innovative applications such as the first mobile ticket in the history of the Expo, the visitor directing system and the mobile shoot-and-transfer video service. Its communications network support for the Expo also stood up to the test of the extremely high volume of voice usages, making great contribution to the smooth operation of the Expo. It also improved service quality to provide high-quality considerate services to visitors from China and abroad with innovative measures such as the China Mobile information kiosk and the “Red Waistcoat” volunteer teams. The Information and Communications Pavilion, one of the few enterprise pavilions at the Expo that operated 24 hours a day, showed people the wonderful dreams that information technology was going to bring to us in the future. With great enthusiasm, China Mobile has fulfilled its commitment to the Shanghai Expo by providing “the Most Cutting-Edge Technology, the Most Excellent Showcase, and the Most Considerate Service”, and played a number of outstanding roles for the Expo – as sponsor, participant, provider of mobile communications support, and promoter of new technology, leaving the Shanghai Expo with a great legacy. ”

—Mr. Hong Hao, Director, Bureau of the
Shanghai World Expo Coordination

【 "The Most Advanced Technology" 】

Showcasing Our Self-innovation on TD-LTE

We have successfully constructed the TD-LTE demonstration network that covered the 5.28 square kilometers Expo Park area and nine major pavilions. The innovation and mature product capacity of TD-LTE was shown through various media including the comprehensive business showcase kiosk, real-time video shoot-and-transfer, mobile high definition live programming, and the Tele-Haibao robot Expo mascot.

Mobile Ticket Makes Expo History

Using radio frequency identification (RFID) technology, we successfully developed the Expo mobile ticket system - the first of its kind in the 150-year history of the Expo, making both global telecommunications history and the Expo history.

We also promoted the exhibition and application of a series of information products to make possible a low-carbon Expo. As an important window for mobile phone users to access Expo-related information, the official wireless website of the Expo provided a convenient and stable information platform for mobile handset users. The Mobile Expo is the first time in Expo's history that has integrated the Expo exhibition and mobile telecommunications technology, and provided real-time Expo video demonstration services to mobile handset users.



◎ The “Tele-Haibao” robot Expo mascot, an integration of TD-LTE wireless transmission, automation and sensor technology

“ The TD-LTE showcase is more than just a highlight at the Expo. More importantly, it's a symbol that China can come out in front of the global ICT industry, and can move ahead from 3G to the next generation with stronger innovation and greater achievements! ”

—Mr. Wen Jiabao, Member of the Standing Committee of the Political Bureau of the CPC, Premier of China

【 "The Most Excellent Showcase" 】

Showcasing Blueprints of an Information City

Starting from the beginning of telecommunications development, we showed the blueprints of an information city in the next ten years or even longer. This reflects the theme of the Expo “better city, better life”. During the Expo, we successfully hosted over 20 charitable events such as group Expo tours for children from disaster area of the Wenchuan earthquake and for outstanding teachers from the disaster area of the Yushu earthquake. In addition, we organized over ten cultural events such as a chess tournament that was televised via mobile video. The Information and Communications Pavilion not only gave people the basic knowledge of the information and communications industry, but also demonstrated the true meaning of “Mobile Changes Life” by showcasing a variety of mobile information applications.

【 "The Most Considerate Service" 】

Outstanding Communications Support

We fulfilled our commitment to quality communication service for the Expo with a premium network, which was well prepared for extreme peak traffic of up to 11,463 Erl. We also reduced energy consumption by 30% by implementing 33 energy saving technologies. In addition, we set up a comprehensive multi-line and multi-discipline network management mechanism, the “Red, Orange, Yellow, and Blue” multi-level network emergency management mechanism, and the Expo network security management model that focused on addressing the challenges of usage peaks. We focused our communications support on three key parts: network management, emergency response, and network security. In this way, we conducted multi-dimensional assessment, implemented real-time monitoring and multi-level management of the whole network, and provided a secure and reliable network to serve the Expo.

Rich and Customized Services

We provided warm, considerate and high-quality services to all guests and helped customers solve all kinds of problems. Taking full advantage of electronic channels, we provided satisfying and convenient services such as 10086 multi-language service, 12580 Expo information service, mobile information kiosk, and visitor directing system to cater to various needs. In the service halls, our employees enthusiastically helped visitors both from home and abroad, and provided services for more than 200 people each day on average. Our “Red Waistcoat” volunteer team helped the elderly, children and students, and created a harmonious environment for all guests.



© Our employees showcased our HD video surveillance technology and shoot-and-transfer service based on TD-LTE network

“ The Information and Communications Pavilion has applied advanced exhibition concept and innovative approach, and has introduced characteristics of the telecommunications industry to visitors in an interactive and entertaining way, contributing to the understanding of telecommunications technology. ”

—Mr. Li Yizhong, former Minister, the Ministry of Industry and Information Technology



© Our mobile information kiosks served visitors with a broad variety of functions

“ China Mobile's contribution to the Expo is very impressive, especially the TD-LTE technology they provided for high speed download service. The TD-LTE mobile high definition live programme is of great effect. Applications showcased at the Expo, such as Mobile Expo and mobile wallet, are very close to people's life. The tailored-made recharge card China Mobile produced specifically for the Expo is also a very good souvenir. ”

—Hamadoun Toure, Secretary General of International Telecommunication Union

CHINA MOBILE IN HONG KONG

As a key step of our “Go-Global” strategy, in 2006 we acquired Peoples Telephone Company Limited, and in December 2008, the name of the company was changed to China Mobile Hong Kong Company Limited (“Hong Kong Company”). We pay great attention to our social responsibility in the “Go-Global” practices, and actively integrate into local communities to achieve sustainable development.

“Considerate” Communications Products

In 2010, Hong Kong Company played the role of the “Sino-Hong Kong Cross-Border Communications Service Expert” by continuously offering cost-effective information products such as cap fee for local data usage, global daily roaming charges, free combination data package for China, and daily roaming Wi-Fi charges. This strengthened our support for cross-border communications. Additionally, we introduced Fetion, an SMS platform that supports local cross-operator SMS, to Hong Kong users and won the only mobile TV license in Hong Kong.

“Considerate” Customer Service

Hong Kong Company promulgates a “considerate service culture” and provides satisfying services by continuously strengthening consumption transparency and protecting customer privacy. We display our commitment to information security and customer privacy protection through various measures including stricter security management of online account and internal data, signing confidentiality agreements with employees, acknowledging customers’ right to know, and providing explanation of billing details and information security tips on our web site and in customer contract. According to the Office of the Telecommunications Authority of Hong Kong (OFTA), by the end of 2010, the Company had maintained a billing accuracy rate of 99.99% for seven consecutive years. We also actively deliver special services for the elderly, the disabled, students, and foreigners.

“Considerate” Employee Care

Hong Kong Company actively promotes localization of its employees. Local staff takes up 99.4% of working staff and 97.7% of managerial staff. We offer comprehensive care to our employees and create a friendly working environment. At the end of 2010, we set up an “employee care team” to address employees’ concerns.

“Considerate” Green Operations

Hong Kong Company cares for the environment by strictly managing the consumption of energy and resources in business operations, managing EMF radiation of base stations, and properly recycling electronic waste in order to build an environmentally friendly company. In 2010, we conducted more than 1,800 base station inspections, switched to environmentally friendly air-conditioning refrigerant, and conducted research on clean energy alternatives for base stations to reduce greenhouse gas emissions. We plan to build our first solar power base station in 2011.

Hong Kong Company actively promotes a paperless office and electronic services by employing an integrated paperless contract management system. They also introduced the “online account recharge” pre-payment functions for their products and built a centralized video exhibition system for all Hong Kong service halls to effectively reduce energy consumption. In addition, we also became the first company in the telecommunications industry to collaborate with the popular Octopus Card. We provided a self-service Octopus Cards recharging system in service halls.

“Considerate” Community Services

For many years now, Hong Kong Company has extended its spirits of customer care to the entire community and is committed to all kinds of social activities including organizing events such as “Hong Kong Global Communications and Information Society Day”, charity donations, blood donations, volunteering activities, providing professional knowledge and technology to social service organizations, and establishing long-term partnerships as a good corporate citizen.

Hong Kong Company has received public recognition for its considerate service and social activism. In February 2010, it won the “Caring Company” award given by the Hong Kong Council of Social Service for the ninth consecutive year in recognition of its involvement with the community.



○ CHINA MOBILE IN PAKISTAN

In February 2007, we completed the acquisition of the fifth-largest telecommunications operator in Pakistan (Paktel), now renamed CMPak. In 2010, the general operating situation of CMPak was sound and its network coverage continued to expand. CMPak established its Auditing Department to further enhance its internal control and supervision, and ensure operational compliance with local laws and internationally accepted standards. In 2010, there was no regulatory or legal violation.

Enhancing Network Construction

In 2010, CMPak continued enhancing network construction. By the end of December 2010, CMPak significantly increased network coverage and ranked 3rd in terms of network scale among the five operators in the country. In addition, CMPak initiated a full-scale campaign to improve network quality through measures such as network optimization and frequency adjustment in order to improve customer experience.

Contributing to Local Development

In order to contribute to the development of the local economy, CMPak gives priority to local suppliers that can meet the requirement in product quality and price. All local procurement in Pakistan is conducted through a bidding process and negotiations with qualified suppliers in an open, fair and impartial way.

CMPak actively hires local employees in Pakistan. At the end of 2010, the proportion of local employees and local management personnel reached 100% and 93.4% respectively at CMPak, which provided a total of 2,450 employment opportunities directly and contributed to the generation of approximately 30,000 employees together with its value chain partners, playing an active role in supporting the development of local communities.

Protecting Employee Rights

CMPak cares for its employees and provides medical insurance to employees and their parents according to industry convention. CMPak respects the Muslim culture, provides an in-office prayer room, gives employees breaks for prayer on Friday noon, and provides dedicated shuttle bus service to female employees in compliance with local custom.

Participating in Environmental Protection

In 2010, CMPak further intensified its efforts in environmental protection and completed the construction of 195 base stations powered by solar power. In Lahore, CMPak worked with local government agencies to improve the environment, encouraged local residents to protect the environment and dispose their solid waste properly by sending SMS messages and set up outdoor bulletin boards.

Fighting the Flood Disaster

In July 2010, one of the worst floods in 80 years hit Pakistan. The flood cut off the service of over 70 base stations, caused disruptions in the operation of 340 base stations, and damaged over 3,500 CMPak retail stores, causing great disruption in its capacity to serve its customers.

Faced with damages from the disaster, not only did CMPak restore communications service and repair 319 base stations within two months, but also shipped two truckloads of disaster relief materials, such as flour, sugar, rice, soy bean, water, candle and matches, to each of the three areas that affected the most by the flood. In addition, CMPak provided many free mobile phones to the disaster areas to ensure people affected by the disaster have reliable communications. The value of donated services and products in kind totaled at 3.195 million rupees.



© In Pakistan, we worked with local government to support public participation in environmental protection

○ KEY PERFORMANCE INDICATORS

Indicators	2008	2009	2010
Company Profile			
Number of mobile customers ¹ (million)	480.01	546.46	609.78
Operating revenue ² (billion yuan)	440.47	480.79	510.64
Corporate income tax paid (billion yuan)	37.03	38.76	37.51
Enhancing Sustainable Development Capacity			
Cumulative number of patent applications filed	1,806	2,733	3,580
Number of employees ³	224,482	230,902	210,068
Average annual training time per employee (hours)	59.6	56.7	59.0
Building a Responsible Network			
Complaint rate per million customers (cases)	11.4 ⁴	11.75	8.53
Employees deployed for emergency response purposes (person-times)	1,379,260	204,754	354,822
Wireless connection rate (%)	99.20	99.22	99.26
Cumulative number of customer complaints related to unhealthy content addressed (million)	7.63	15.00	21.84
Narrowing the Digital Divide			
Cumulative number of administrative villages covered via our Village Connected Project	41,843	43,714	45,514
Cumulative number of natural villages covered via our Village Connected Project	19,904	34,122	43,570
Agricultural Information Service customers (million)	38.68	45.21	56.87
Number of agriculture-related items posted on the Rural Information Network website (million)	3.92	5.59	7.24
Addressing Climate Change			
Annual reduction in electricity consumption per unit of telecommunications traffic (%)	15	13	14.8
Carbon dioxide emissions (million tonnes)	8.42	9.46	11.12
Number of base stations using alternative energy	2,135	6,372	7,795
Cumulative number of mobile phones and accessories recycled (million)	3.95	5.31	6.74
Percentage of services conducted through e-channels (%)	43	48	44 ⁵
Moving Towards an Information Society			
Number of Campus Information Services customers (million)	-	32.16	44.41
Number of M2M (machine to machine) terminals (million)	-	3.5	6.9
Supporting the Community			
Number of children orphaned by AIDS or living in extreme poverty sponsored	6,011	9,791	12,229
Cumulative number of China Mobile Libraries built	1,000	1,175	1,350
Cumulative number of multimedia classrooms built	-	175	350
Cumulative number of principals of rural primary and middle schools trained	3,600	14,600	25,600
Total hours of employee volunteer activities (million hours)	0.63	0.79	1.22

Note:

1. Numbers of customers include customers of CMPak.

2. Numbers for 2008 and 2009 are audited, while number for 2010 is unaudited.

3. Numbers of employees are the annual average numbers, which include employees of China Tietong Telecommunications Corporation. The 2010 number is smaller than the 2009 one as part of Tietong was reassigned to the Ministry of Railways during the year.

4. The 2008 number is the average value from the second quarter to the fourth quarter.

5. Since 2010, this indicator is calculated based on all channels (e-channels, our proprietary sales outlets, and cooperative channels) instead of our own channels (e-channels and our proprietary sales outlets) used previously.

○ LOOKING FORWARD

【 Sustainability Management 】

Sustainability Management System	<ul style="list-style-type: none"> ◎ To focus on enhancing sustainable development capacity and conduct sustainable development capacity evaluation and management improvement; ◎ To effectively organize and promote the development of sustainability practices, focus on benchmarking with global peers, and improve sustainability performances;
Stakeholder Communication and Engagement	<ul style="list-style-type: none"> ◎ To increase stakeholders' participation, and use our sustainability report to obtain feedback; and ◎ To strengthen issue-oriented stakeholder communication, discuss with stakeholders about key issues, and explore proper solutions.

【 Sustainability Practices 】

Enhancing Sustainable Development Capacity	<ul style="list-style-type: none"> ◎ To enhance independent innovation, develop new technology, enrich new businesses, and expand into new areas in order to develop a supporting environment for innovation and development; ◎ To keep on creating a harmonious working environment for our employees, and creating room for employees to realize the mutual growth of both our employees and our company;
Building a Responsible Network	<ul style="list-style-type: none"> ◎ To maintain world-class network quality, enhance emergency communications support capacity and response time, and implement stricter EMF management; ◎ To deliver better user experience with comprehensive billing transparency; ◎ To deal with spam messages and mass-distributed content with unhealthy content identified by consumer complaints, while protecting the normal use of our customers;
Narrowing the Digital Divide	<ul style="list-style-type: none"> ◎ To extend mobile communications networks to villages in remote areas, and support rural development with abundant agriculture-related applications to build a "New Countryside"; ◎ To address the special needs of groups such as the elderly, the disabled and ethnic minorities, and develop services and applications to increase accessibility of communications services;
Addressing Climate Change	<ul style="list-style-type: none"> ◎ To establish a scientific energy management system, manage our environmental footprint, and achieve annual emissions reduction targets; ◎ To contribute to low-carbon development by developing innovative information products and services for businesses that are customized to the needs of different industries;
Moving Towards an Information Society	<ul style="list-style-type: none"> ◎ To promote the development of "Wireless City," continue to explore information solutions in healthcare, education, and convenient services to the public to continue our exploration on mobile technology and support social development; and
Supporting the Community	<ul style="list-style-type: none"> ◎ To strengthen the role of the China Mobile Charity Foundation, conduct charity programs that support education, protect environment, care for the disadvantaged groups, and encourage our employees and stakeholders to participate in volunteer activities.

○ FEEDBACK

Dear Reader:

Thank you for taking the time to read our 2010 Sustainability Report. There are inevitably some flaws and omissions in this report and we very much welcome your comments and suggestions.

Thank you,
China Mobile Sustainability Report Team
March 2011

Name				
Contact Information	Telephone		EMAIL	
Company				
Report Feedback*	Readability	Objectivity	Logic and Structure	Completeness
Sustainability Strategy and Management				
Enhancing Sustainable Development Capacity				
Building a Responsible Network				
Narrowing the Digital Divide				
Addressing Climate Change				
Moving Towards an Information Society				
Supporting the Community				
In-Focus: Better Mobile, Better Expo				
China Mobile in Hong Kong				
China Mobile in Pakistan				
Looking Forward				
Overall Feedback				

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

You are welcome to send this form via email to CR@chinamobile.com or via fax at 86-10-66006167. We value your feedback and will use it to improve our sustainability reporting process. We will maintain the anonymity of your feedback, and your information will not be shared with any third party.



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