

China Mobile: Enabling A Better Life

Creating a Better Future with
Sincerity and Innovation



China Mobile Communications Corporation

Address: Office 907, 29 Jinrong Avenue, Xicheng District, Beijing 100033, China

Fax: +86-10-6600 6167

Website for Report Download: www.10086.cn



All copyrights reserved. No reproduction by any means is allowed without acknowledgement.
This report was printed on 100% recycled paper.

CHAIRMAN'S STATEMENT

Creating a Better Future with Sincerity and Innovation

Actively fulfilling our social responsibilities and achieving mutual sustainable development with our stakeholders is a strategic choice for China Mobile to become a company that is built to last. As a communications operator, our network, products and services are closely related to the everyday lives of over 680 million of our customers. As a state-owned enterprise directly controlled by the central government, in addition to maintaining and increasing the value of state-owned assets under our management, we have the responsibility of accelerating the transformation of societal development, playing a more active role in facilitating better lives for people, and building a harmonious society.

Based on these considerations, we stick to our core value of "Sincerity Makes Perfection" and have developed a new vision, "Mobile Changes Life", under the guidance of the Scientific Concept of Development, as China enters the 12th Five-year Plan period from 2011 to 2015. We have integrated sustainability with business strategy and operations, and have developed a distinct sustainability strategy. In 2011, we actively implemented our sustainability strategy by adhering to integrity and focusing on innovation, so as to promote the sustainable economic, social and environmental development of our responsible operations.

We strove to win customers' trust and confidence by adhering to business integrity, improving corporate governance by establishing a board of directors, and making continuous improvements to our risk management and internal control systems. Furthermore, we are committed to preventing corruption by strengthening our corruption prevention system and promoting a high standard of business ethics. We made great efforts to ensure smooth, secure and reliable network connectivity and "consumption transparency" to our customers, and we were strong advocates for a healthy communications culture.

We also undertook various measures to narrow the digital divide and to nourish better living with information solutions. We helped bridge the digital divide and met the needs of customers in rural areas and customers with special needs by reducing tariffs, offering more convenient services and more useful applications, and enabling more customers to improve their lives with mobile communications. With technologies such as "Wireless City" and the "Internet of Things", we expanded Information and Communication Technology (ICT) services into various fields such as mobile health, greenhouse monitoring, mining safety, intelligent logistics, smart home monitoring and others, creating more convenient and better "mobile lives" for people.

We promoted the development of the TD technology and played a leading role in growing our industry. By deepening the strategy of integrating the GSM, TD-SCDMA, WLAN and TD-LTE networks, TD technology has now acquired approximately one-third of the market. We also actively promoted the TD-LTE technology and it has become a major global 4G standard. We innovated on our business models and worked together with our supply chain partners to develop new areas and new values for ICT services. Furthermore, we constructed a responsible supply chain that promotes the green development of our industry.

We cared for communities and contributed to the development of a resource-saving and environmentally friendly society. Focusing on the needs of disadvantaged groups in society, we launched and implemented a number of charity programs which included providing educational assistance to China's central and western areas, caring for children orphaned by AIDS, and providing financial as well as medical assistance to poor children with congenital heart disease. We encouraged employee volunteerism and developed an extensive platform to support charitable causes with the participation of the entire society. By managing our impacts on the environment comprehensively, continuously implementing our "Green Action Plan", and promoting green office and green business, we have successfully achieved our energy conservation and emissions reduction goals. We also actively promoted environmentally friendly ICT applications in order to help our society become more resource saving and environmentally friendly.

In 2011, our continuous efforts to pursue sustainability were well acknowledged and recognized by our stakeholders, as indicated by our inclusion in the Dow Jones Sustainability Indexes, and being awarded the "China Charity Award". However, we humbly understand that there are still a lot of things we can do given the responsibilities upon our shoulders. We must gain better understanding of our role in the overall development of our nation and society, and must better respond to the expectations of our stakeholders with higher ethical standards and greater transparency. We are committed to fully leveraging our expertise in ICT and reaching out to our stakeholders in order to coordinate our efforts to build as well as share the beautiful vision of "Mobile Changes Life"!

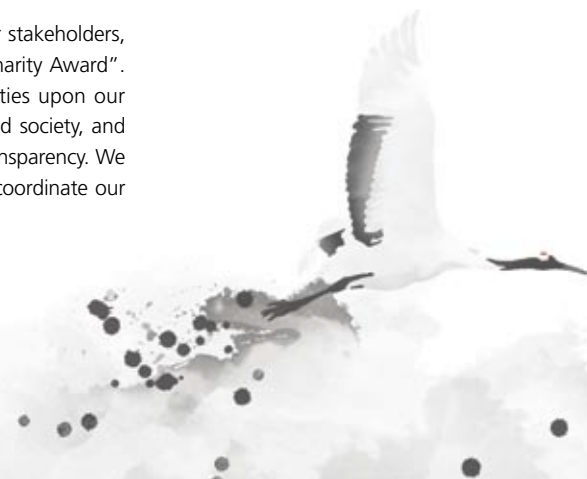


Mr. Xi Guohua

Secretary of Party Committee & Chairman,
China Mobile Communications Corporation

A stylized Chinese calligraphy signature in black ink, located at the bottom center of the page.

April 2012



CONTENTS

01 CHAIRMAN'S STATEMENT

04 ABOUT CHINA MOBILE

06 SUSTAINABILITY STRATEGY AND MANAGEMENT

06 Sustainability Vision

07 Sustainability Strategy

08 Sustainability Management

08 ○ Enhancing Sustainability Management

10 ○ Deepening Stakeholder Engagement

12 SUSTAINABILITY PRACTICES HIGHLIGHTS 2011

13 Adherence to Integrity and Compliance

13 ○ Improving Corporate Governance

14 ○ Corruption Prevention and Discipline

16 Constructing Excellent Network

16 ○ Enhancing Network Quality

16 ○ Enhancing EMF Management

17 ○ Strengthening Emergency Communications Support

22 Narrowing the Digital Divide

22 ○ Narrowing Urban-Rural Digital Divide

24 ○ Serving Disadvantaged Groups

15 Innovative and Highly-efficient Operation

15 ○ Innovation-driven Development

15 ○ Specialized Operations

18 Striving for Customer Confidence

18 ○ Addressing Customers' Needs

19 ○ Ensuring Transparency in Consumption

20 ○ Protecting Information Security

21 ○ Advocating a Healthy Communications Culture

25 Enabling a Better Life with Innovative Information Solutions

25 ○ Constructing "Wireless City"

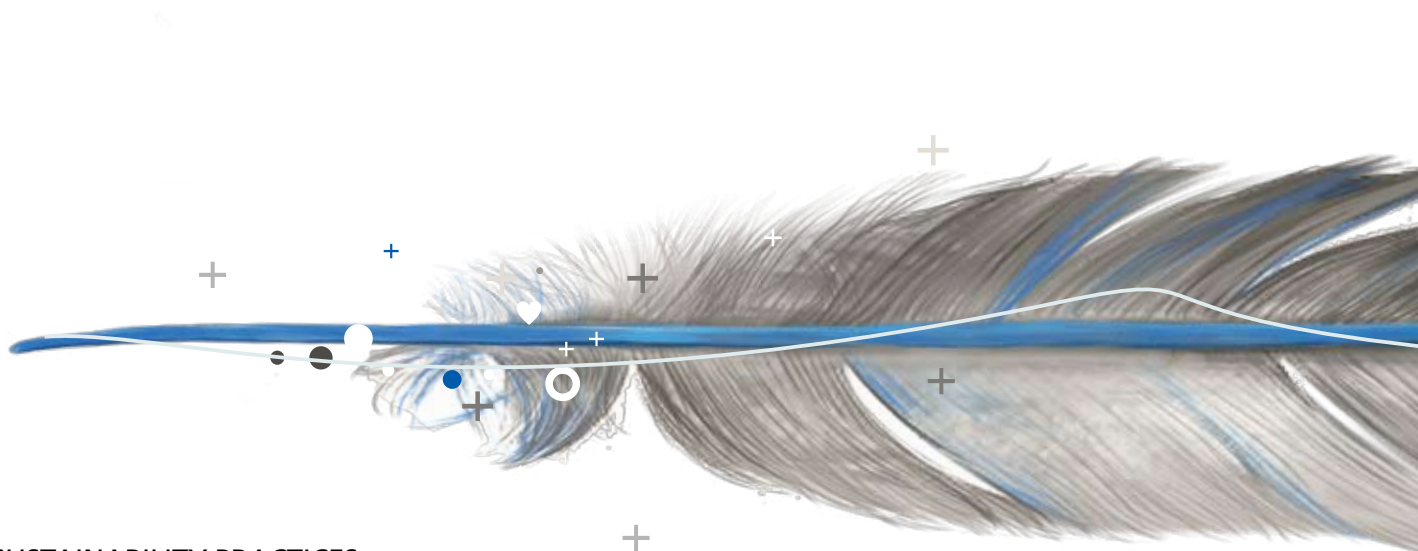
26 ○ Informationalization Promoting Enhanced Healthcare

28 ○ Informationalization Supporting Campus Construction

29 ○ Informationalization Facilitating People's Lives

31 ○ Informationalization Supporting Cultural Heritage

32 ○ Informationalization Serving Production Management



33 Managing Environmental Impacts

- 33 ○ Optimizing Management System
- 34 ○ Reducing Energy Consumption in Operations
- 36 ○ Enhancing Resource Utilization

37 Promoting Environmental Applications

- 37 ○ Smart Transportation and Logistics
- 38 ○ Environment Monitoring and Management

39 Fostering a Harmonious Community

- 39 ○ Development Aid and Poverty Alleviation
- 40 ○ Supporting Education
- 41 ○ Caring for Disadvantaged Groups
- 42 ○ Encouraging Volunteerism

43 Employee Caring and Development

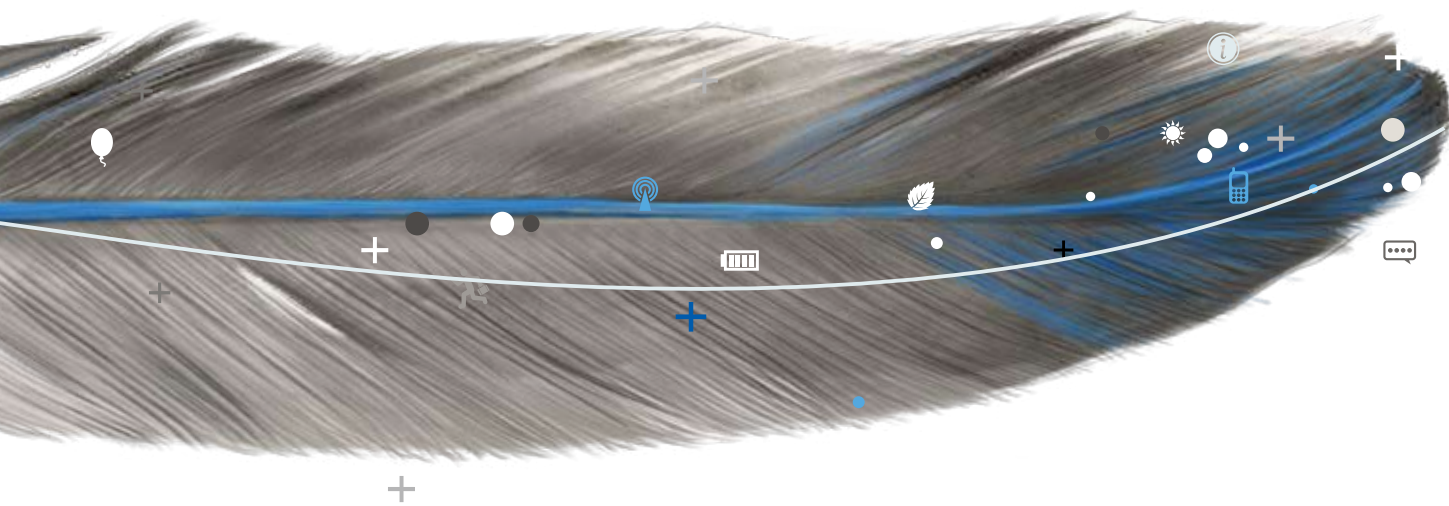
- 43 ○ Supporting Employee Career Development
- 44 ○ Caring for Employees

45 Leading Industry Growth

- 45 ○ Promoting TD Development
- 46 ○ Building a Responsible Supply Chain
- 47 ○ Promoting Green Development of the Industry

48 Pushing Forward to “Go Global”

- 48 ○ Expanding Overseas Business
- 48 ○ Fulfilling Local Responsibilities



49 SUSTAINABILITY PERFORMANCE

52 LOOKING FORWARD

53 INDEXES

- 53 GRI Index (G3.1)
- 54 The UN Global Compact's 10 Principles Index
- 54 ISO 26000 Index

55 ABOUT THIS REPORT

56 FEEDBACK

ABOUT CHINA MOBILE






China Mobile Communications Corporation (“China Mobile”, “we” or “the Company” for short) was established on April 20, 2000. With assets exceeding 1 trillion RMB, China Mobile boasts the world’s largest mobile network and subscriber base.

China Mobile wholly owns China Mobile (Hong Kong) Group Limited. China Mobile Limited (the “Listed Company” for short) is under China Mobile (Hong Kong) Group Limited and has set up wholly owned subsidiaries in 31 provinces (autonomous regions and municipalities directly under the Central Government) and Hong Kong SAR, and has been listed in Hong Kong and New York stock exchanges. In 2011, China Mobile ranked the 87th in *Fortune* Global 500 list, with a leading brand value in global telecom industry, and was included as one of the world’s 50 Most Innovative Companies.

So far, China Mobile has over 900,000 base stations and more than 680 million customers. China Mobile has received Grade A for seven consecutive years in the State-owned Assets Supervision and Administration Commission (SASAC) assessment and was honored “Enterprise with Outstanding Performance” by SASAC. The Company entered *Financial Times* BRANDZ Top 100 Most Powerful Brands Ranking for 4 consecutive years. The Listed Company was named to the Dow Jones Sustainability Indexes (DJSI) for 4 consecutive years, the only company from Chinese mainland to be selected to this prestigious index. Moreover, to honor its contribution to the public good, China Mobile has been granted “China Charity Award”, the top government prize in the field of charity for 4 consecutive years.

China Mobile is a member of United Nations Global Compact. The Company recognizes and strives to observe the 10 principles of Global Compact and joins the Caring for Climate action advocated by the organization. China Mobile is a member of The Climate Group and played an active role in dealing with climate change.

As of 31 December 2011,
China Mobile had

over
 **900,000**
base stations

over
 **680** million
customers

Major Recognitions in 2011

- China Mobile has received Grade A for seven consecutive years in the SASAC assessment and was honored “Enterprise with Outstanding Performance” by SASAC;
- We ranked the 87th in *Fortune* Global 500 list, with a leading brand value in global telecom industry, and were included as one of the world’s 50 Most Innovative Companies;
- We entered *Financial Times* BRANDZ Top 100 Most Powerful Brands Ranking for 4 consecutive years, while the Listed Company was named to the Dow Jones Sustainability Indexes for 4 consecutive years, the only company from Chinese mainland to be selected to this prestigious index;
- We were recognized as an 11th Five-year Central Enterprise with Excellent Performance on Energy Saving and Emission Reduction;
- We were awarded as a 2008-2010 Advanced Group on Internal Audit in National-wide by the National Audit Office;
- We were awarded as MWE China Award SOE In-House Team of the Year by *Asian Legal Business* (ALB), and were the only legal team of state-owned enterprise received the honor;
- We were successfully recognized as one of China’s Golden Trademarks by the State Administration for Industry & Commerce (SAIC) and the World Intellectual Property Organization (WIPO), and were the only central enterprise received the honor;
- We received the China Charity for Children Outstanding Contribution Award and have been granted “China Charity Award”, the top government prize in the field of charity for 4 consecutive years;
- We were awarded a Serious Games Promoting Award by the Ministry of Culture in the section of 2011 China Digital Culture Grand Ceremony at the 9th China International Digital Content Expo; and
- We were presented with the Wireless Broadband Alliance (WBA) Annual Value Contribution Award for promoting operators agreeing on roaming identification at the conference of GSM Association (GSMA) and WBA.

SUSTAINABILITY STRATEGY AND MANAGEMENT

It is our sustainability philosophy that by upholding our core value of “Responsibility Makes Perfection”, we strive to achieve sustainable economic, social and environmental development in a way that co-ordinates the present and the future and takes into account the interests of ourselves and our stakeholders.

Sustainability Vision

Our strategic vision for the five years from 2011 to 2015 is “Mobile Changes Life”. From the sustainability perspective, it means that we will integrate our sustainable development with ICT development and strive to innovate and enhance our sustainable development capability. In this way, we are going to build a better China Mobile by leveraging on our expertise. With our extensive information communications networks and large selection of powerful mobile applications, we will provide better products and services to lead and meet the market demand for mobilization, broadbandization and informationalization, improve how people live and work, improve the standards of living, enhance the economic and social efficiency, contribute to environmental protection, maximize benefits to daily lives and create more possibilities for people to have a better life.

Mobile Changes Life



A Better China Mobile: In order to realize the vision of “Mobile Changes Life”, first of all, we need to continuously enhance our sustainable development capability to achieve the harmonious development of our enterprise, our employees and our industry. Integrity is the foundation of our existence – we regard integrity as our business philosophy and keep on improving our corporate governance structure and establish mechanisms to prevent and discipline corruptions. We also keep on improving our operation efficiency and innovation mechanisms, enhancing our potentials of sustainable development and improving the quality and efficiency of our operations with innovations. We strive to create a friendly working environment and explore more career development channels to enable our employees to work happily while realizing the mutual growth and values of both our employees and the Company.

Better Products and Services: We respond to the ever-changing business environment by actively addressing the customers’ needs, building customers’ confidence in our network reliability and consumption transparency, winning customers’ trust with reliable products and services and continuously innovating on personal and industry information applications. The convenient products and services enable our customers to improve the efficiency of their work, improve their quality of life and create opportunities for them to enjoy a wonderful life.

Better Communities: We strive to narrow the digital divide and provide universal access to information, so as to enable the changing Chinese society to develop in a more fair and inclusive way. While creating values for the society, the convenient and effective communications products and services that we provide enable people to realize their dreams and

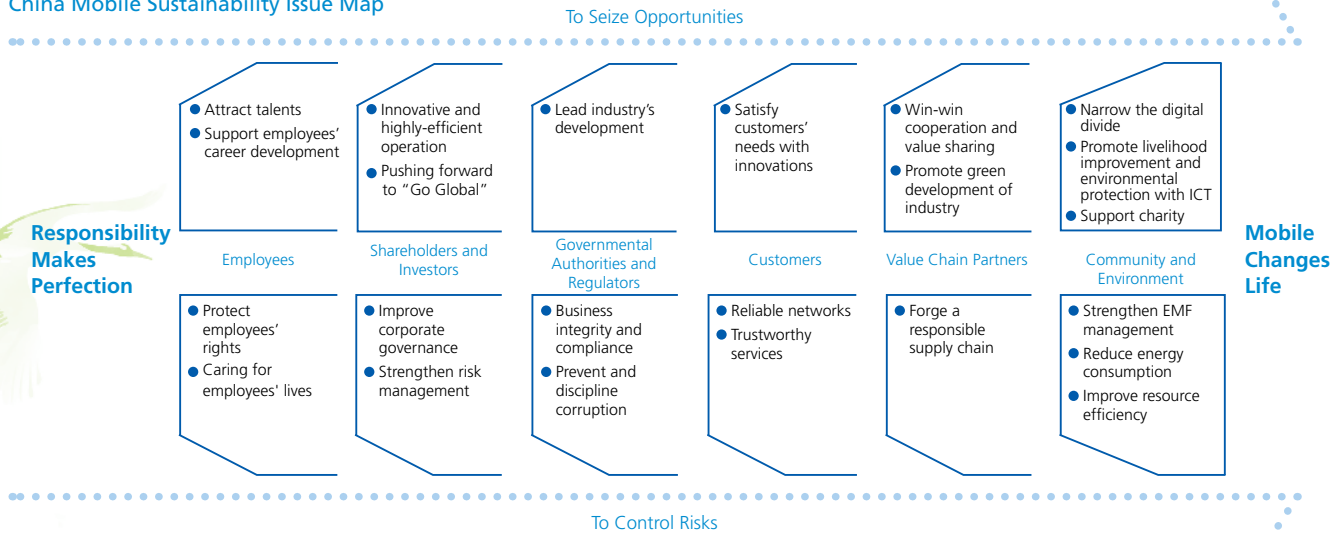
share their growth. We actively participate in charitable activities and encourage our employees to engage in volunteer activities, so as to make their contributions to the development of a harmonious society.

A Better Environment: We actively respond to climate change challenges and pay attention to managing the environmental impacts of our own operation. In our pursuit of low-carbon development, we actively build a green industry chain and promote the green development in the communications industry. We endeavor to leverage our strengths and capabilities as an ICT business to develop new environmentally friendly products and services and enable our clients to create a better natural environment for future generations.

Sustainability Strategy

In 2011, with our vision “Mobile Changes Life” as the guidance, we thoroughly analyzed macro policies and our stakeholders’ demands, set global best practices as our benchmarks, reviewed our sustainability management status and developed the following China Mobile Sustainability Issue Map to guide our sustainable development in terms of seizing opportunities and controlling risks which helped us to identify and focus on 12 key issues that our stakeholders are concerned about.

China Mobile Sustainability Issue Map



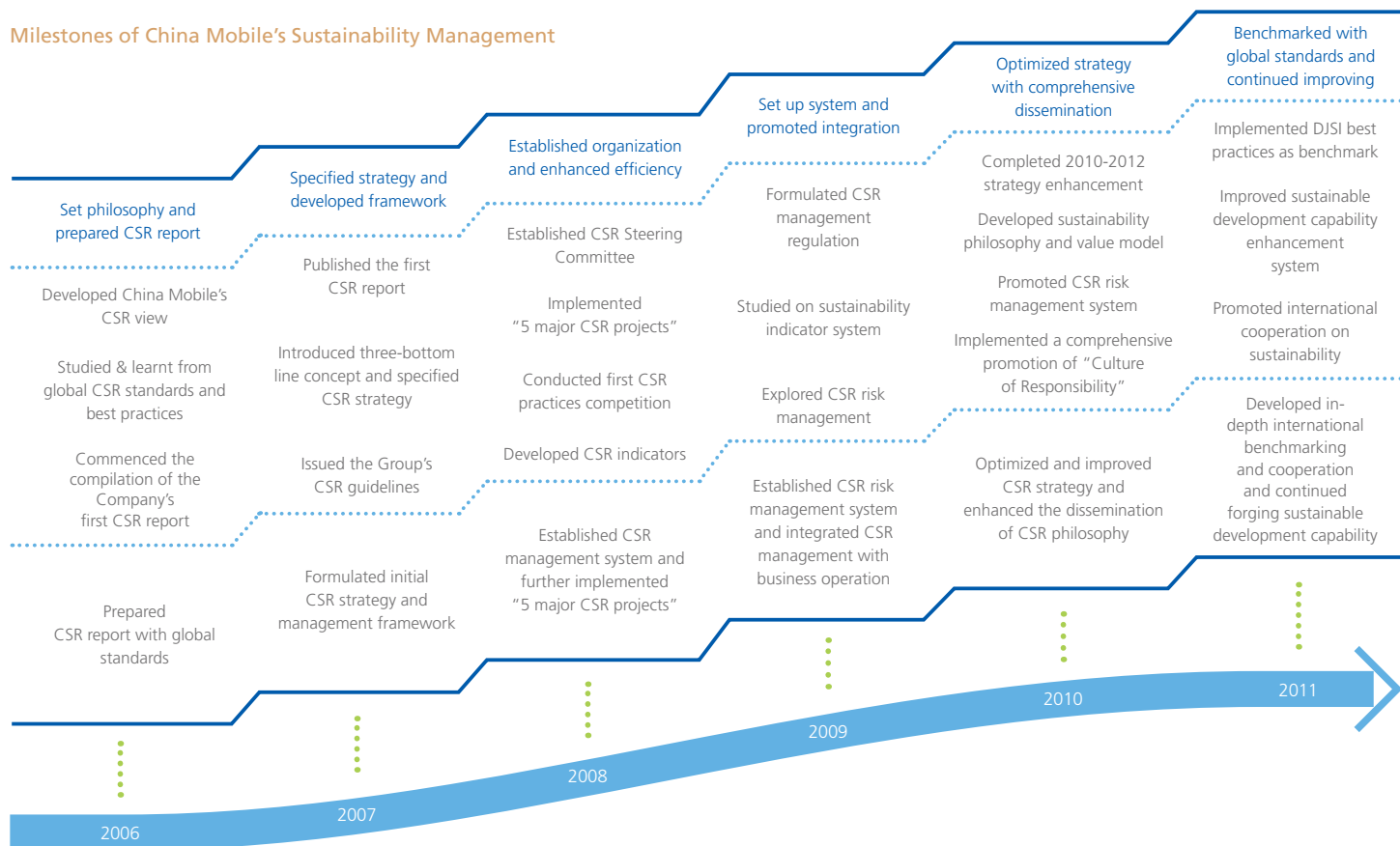
China Mobile Key Sustainability Issues

Key Sustainability Issues	Sustainability Strategic Actions
<ul style="list-style-type: none"> Adherence to Integrity and Compliance 	<ul style="list-style-type: none"> To improve corporate governance, strengthen internal audit and internal control, prevent legal risks and ensure compliance; To discipline corruption strictly and establish a corruption prevention and discipline system;
<ul style="list-style-type: none"> Innovative and Highly-efficient Operation 	<ul style="list-style-type: none"> To innovate actively, explore new technologies, develop new models and new areas to expand growth potential; To enhance operation management, reduce cost and improve efficiency;
<ul style="list-style-type: none"> Constructing Excellent Network 	<ul style="list-style-type: none"> To ensure good network coverage, improve network quality and provide emergency communications support; To strengthen electromagnetic field radiation (EMF) management and build safe and green networks;
<ul style="list-style-type: none"> Striving for Customer Confidence 	<ul style="list-style-type: none"> To focus on customers' needs and improve customer satisfaction; To enhance consumption transparency, protect information security and customer privacy and foster a healthy consumption environment;
<ul style="list-style-type: none"> Narrowing the Digital Divide 	<ul style="list-style-type: none"> To promote rural information services and further narrow the rural-urban digital divide; To address the communication need of disadvantaged groups and provide convenient services and universal access;
<ul style="list-style-type: none"> Enabling a Better Life with Innovative Information Solutions 	<ul style="list-style-type: none"> To construct "Wireless City" and serve the agricultural production, healthcare enhancement, campus construction and culture heritage and other industries with informationalization;
<ul style="list-style-type: none"> Managing Environmental Impacts 	<ul style="list-style-type: none"> To continue implementing the "Green Action Plan" and minimize our own environmental impacts with green network, green office and green operations; To continue improving resource efficiency with SIM card downsizing and the Green Boxes Environmental Protection Program;
<ul style="list-style-type: none"> Promoting Environmental Applications 	<ul style="list-style-type: none"> To promote environmentally friendly information applications and contribute to environmental protection with ICT;
<ul style="list-style-type: none"> Fostering a Harmonious Community 	<ul style="list-style-type: none"> To improve the management of the China Mobile Charity Foundation, support development aid and poverty alleviation and organize philanthropic activities in support of education and caring for disadvantaged groups;
<ul style="list-style-type: none"> Employee Caring and Development 	<ul style="list-style-type: none"> To improve career development mechanism and encourage employees' development; To care for employees' health and take various measures to help employees achieve work-life balance;
<ul style="list-style-type: none"> Leading Industry Growth 	<ul style="list-style-type: none"> To promote TD-SCDMA (TD) development, create and share value with partners; To introduce social responsibility standards and requirements, forge a responsible supply chain and lead the industry to going green;
<ul style="list-style-type: none"> Pushing Forward to "Go Global" 	<ul style="list-style-type: none"> To actively expand international operations following the "Go Global" strategy; and To actively engage local communities and assume local responsibilities during the process of "Go Global".

Enhancing Sustainability Management

Since the compilation of our first Corporate Social Responsibility (CSR) Report in 2006, we have gradually established a scientific and sound CSR management system. We established a CSR Steering Committee that was headed by our chairman as the highest CSR management decision-making body, gradually established a “Company-Provincial Subsidiaries” two-tier CSR risk management system and built related organizational structure and workflows. By conducting regular work on four types of management (i.e. strategy management, implementation management, performance management and communication management), we aim to integrate the sustainability management with our day-to-day operational management in an effective way.

Milestones of China Mobile's Sustainability Management



In 2011, we focused on the following four key management tasks: sustainability benchmarking management, evaluation of sustainability potentials, CSR practices competition and sustainability reporting.

Sustainability Benchmarking Management

In 2011, we conducted a DJSI benchmark analysis by comparing our sustainable development capability with the DJSI evaluation standards and the best practices in the telecommunications industry to identify our shortcomings so as to further enhance our sustainable development capability management. We established a long-term management mechanism with the participation of every department at headquarters and assigned each DJSI indicator to different departments to be included in their regular tasks. In 2011, we were recognized on DJSI for the fourth consecutive year and were still the only company from Mainland China listed on the DJSI. Meanwhile, we also compared our sustainable development capability with the best practices of global industry peers to identify how we could further improve.

Evaluation of Sustainability Potentials

To fully evaluate and manage our sustainability potentials, we have been exploring on the establishment of a sustainability indicator system since 2009. In 2011, we explored a new sustainability indicator system (2011 version) that consists of four indicators – operation power, influence power, initiative power and coexistence power, and completed an evaluation on our sustainability potentials and a thorough inspection of the sustainable development capabilities for our 31 provincial subsidiaries. Based on our findings, we formulated an improvement plan specifying objectives, responsible departments and completion timelines to strengthen our sustainability potentials.

CSR Practices Competition

In order to encourage and promote our subsidiaries' innovation on CSR practices, we have been hosting the China Mobile CSR practice competitions since 2008 for four consecutive years as an important part of our sustainability performance management. Internal experts and external stakeholders review and select the cases submitted to discover and promote outstanding CSR practices. In 2011, we further enhanced stakeholder participation by inviting external experts as judges at the early stage of the competition, allowing online voting by the employees and public and other means. A number of awards, including "CSR Top 10 Performance", "The Best Idea" and "The Best Employee Participation", were granted to winning cases and the award of "The Most Popular Practice Chosen by Employees" and the award of "The Most Popular Practice Chosen by Public" were selected by internal and public voting.

Sustainability Reporting

We were the first company to release a CSR report in China's telecommunications industry. Since we released our first report in 2007, we have used it as a platform to understand our progress and weakness in our annual CSR management and to disclose non-financial information regularly. We changed the name of the report to "Sustainability Report" from 2010 to reflect the idea of integrating sustainability management with the daily operational management. It has become an important platform for us to communicate with our stakeholders about the management and progress of our sustainability issues, as well as to collect their feedback and suggestions. The compiling process is also an important management phase for internal dissemination of our sustainability concept and streamlining of our sustainability practices. Our 2010 Sustainability Report was granted the "Global Compact Report Special Style Award" and the "2011 Golden Bee Leader Enterprise Award for Outstanding CSR Reports".



Deepening Stakeholder Engagement

It is very important for us to identify our key stakeholders and communicate with them regularly and effectively. In 2011, based on our sustainability strategy, we reviewed and categorized our key stakeholders into six major groups: employees, shareholders and investors, government authorities and regulators, customers, value chain partners and community and environment.

In 2011, we continued to strengthen communication with and participation by our stakeholders. First of all, as we issued our first sustainability report, we focused on collecting stakeholders' feedback by interviewing 18 institutions including professional institutions, industry peers and famous colleges to collect their feedback which have been used as references in preparing the 2011 sustainability report.

Secondly, we tried to introduce more views of external stakeholders in our sustainability management. We invited external judges at the early stage of the CSR Practice Competition and allowed online voting in the competition of 2011 to further enhance the objectivity of the judges and the participation by the stakeholders. Over a million online votes were collected.

In 2011, in light of the vision of "Mobile Changes Life", we focused on engagement with our stakeholders in the areas such as mobile health, "Wireless City" and the "Internet of Things". In 2011, we also communicated with a variety of organizations, such as the Climate Group, the United Nations Global Compact, the Global Reporting Initiative and the World Food Program on certain key sustainable development topics.

Expanding Research on "Mobile Health"

We successfully completed the joint sustainability program with the University of Cambridge on "Mobile Health" in 2011. This program integrated the multi-discipline expert resources of the University of Cambridge with our business operation experience. It explored the global trends in mobile health applications and focused on four categories of applications for mobile health of the next generation. In addition, the program tried to explore the right business model for different mobile health applications and their potential risks and benefits. The program has identified ways to tap mobile health opportunities and the strategies for various parties to participate. The research has significant academic values in further exploring the potential contribution by mobile communication applications to social sustainability, promoting the application and innovation of mobile health applications and exploring development models for mobile health applications in different countries and under different medical systems.

Based on this research, we co-hosted a webinar on the topic of "Mobile Health: Medical Applications for Today and Future". The webinar attracted over 50 experts and industry players from well-known universities and relevant institutions, such as the University of Cambridge, Oxford University, Harvard University, GSMA and World Health Organization, and received excellent responses.



In Anhui, we responded to public questions via live radio



In Beijing, the research report *Mobile Health: Medical Applications for Today and Future* conducted jointly by China Mobile and the University of Cambridge was issued

Stakeholder Engagement

Stakeholders	Method of Engagement	Content of Engagement	Examples of Key Activities in 2011	Report Content
Employees	<ul style="list-style-type: none"> Employee Representative Committee Meeting Training Performance reviews Employee complaints and feedback Employee survey 	<ul style="list-style-type: none"> Employees' participation in the Company's operations Protecting labor rights Employee career development Harmonious working environment and prevention of work related pressure 	<ul style="list-style-type: none"> Further opened up the CEO's mailbox and responded to employees' requests in a timely manner 	43-44
Shareholders and Investors	<ul style="list-style-type: none"> Release of operational results Daily management Regular communication meetings 	<ul style="list-style-type: none"> Preserving and increasing the assets value Managing and preventing operational risks Formulating development strategy Socially responsible investment demand for enterprises 	<ul style="list-style-type: none"> Communicated promptly on major events according to information disclosure requirements and maintained regular communication and interaction with shareholders and investors through various means 	5, 13-15
Government Authorities and Regulators	<ul style="list-style-type: none"> Working meetings and reporting Exchange meetings Cooperative projects 	<ul style="list-style-type: none"> Meeting industry regulatory demands Meeting government requirements for implementing CSR Compliance management, inspection and feedback Cooperating on philanthropic activities 	<ul style="list-style-type: none"> Cooperated and promoted the implementation of strategic cooperation agreement between the Company and 31 provincial governments and jointly pushed forward local informatization 	13-14, 18-21, 39-41
Customers	<ul style="list-style-type: none"> Customer satisfaction surveys Customer relationship management "Walking into China Mobile" China Mobile Membership Club Communications with key corporate customers 	<ul style="list-style-type: none"> Improving network performance Improving customer service Ensuring the security of customer data and customer privacy Preventing spam and unhealthy contents Promoting new ways of communications Providing disaster emergency assistance 	<ul style="list-style-type: none"> Conducted regular surveys on customer satisfaction, improved service quality and increased customer perception 	15, 16-32
Value Chain Partners	<ul style="list-style-type: none"> Industry organizations Conferences and forums Working groups Exchange activities 	<ul style="list-style-type: none"> Industry outlook and potential opportunities Joint research and development and experience sharing Communicating on CSR management Cooperative projects on CSR 	<ul style="list-style-type: none"> Held the first China Mobile App Developers Conference and opened Cloud Services to all the parties 	45-47
Community and Environment	<ul style="list-style-type: none"> Community engagement Media communications Community philanthropy 	<ul style="list-style-type: none"> Improving the lives of disadvantaged groups Supporting community development Energy conservation and emissions reduction and environmental protection Improving EMF management 	<ul style="list-style-type: none"> Implemented comprehensive survey on public CSR awareness in all provinces, understood and responded on key issues which the public are concerned about 	33-42, 47

SUSTAINABILITY PRACTICES HIGHLIGHTS 2011



In 2011, facing the challenges of sustainable development, we further integrated sustainable development into our business operations. With both integrity and innovation, we have achieved great improvements in sustainable development areas. This report will reveal our progress in the following 12 key issue areas, and our regular work on sustainable development is included in the section of Sustainability Performance of this report.



Adherence to
Integrity and
Compliance



Innovative and
Highly-efficient
Operation



Constructing
Excellent Network



Striving for
Customer
Confidence



Narrowing the
Digital Divide



Enabling a Better
Life with Innovative
Information Solutions



Managing
Environmental
Impacts



Promoting
Environmental
Applications



Fostering a
Harmonious
Community



Employee Caring and
Development



Leading Industry
Growth



Pushing Forward to
"Go Global"

Adherence to Integrity and Compliance

Sustainable development is founded on adherence to integrity and compliance. In 2011, we continued strengthening corporate governance and internal control system, promoted the establishment of disciplinary and anti-corruption system on an organizational and institutional level and launched an anti-corruption education to enhance the awareness of and eliminate corruption from our system.

Improving Corporate Governance

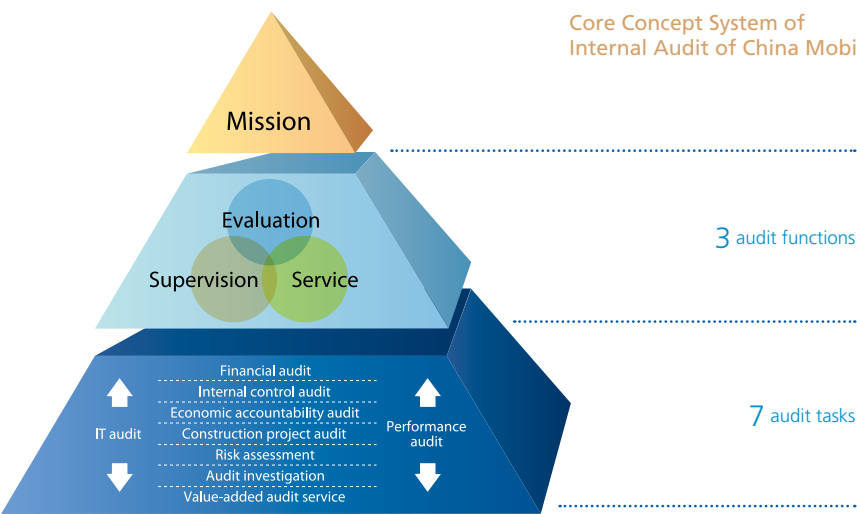
Corporate governance system can balance and restrict negative factors that impede our development, and guarantee a scientific, standardized and effective decision-making process. We adhered to principles of integrity, transparency, openness and effectiveness, established a strict internal control system and continually enhanced risk management in order to ensure compliance with laws and regulations in our operations.

Board of Directors

To establish the modern corporate system and ensure that External Directors can play a greater role, China Mobile made great progress in establishing the Board of Directors under the guidance of the SASAC. On September 28, 2011, the SASAC held the working conference on board standardization at China Mobile and announced the official establishment of China Mobile Communications Corporation's Board of Directors and the list of our External Directors. Currently, the Board of Directors consists of the following members: Mr. XI Guohua (Chairman), Mr. LI Yue (Director), Madam HUANG Wenlin (Director), and Mr. DING Zhongzhi, Mr. YU Ning, Mr. TONG Baoan, Mr. CHEN Geng and Mr. CHUNG Shuiming as External Directors.

Internal Audit

The Company and its operating subsidiaries have set up internal audit departments, which independently audit the business units of the Company and its operating subsidiaries. The Company has established an internal audit scope framework and carried out risk investigations on an annual basis. Based on the results of the risk investigations, internal audit projects are formulated by the internal audit departments on a rolling and annual basis. The internal audit departments conduct independent and objective supervision and assessment and provide advices on the appropriateness, compliance and effectiveness of the business operation and internal control system of the Company by applying systemized and standardized audit procedures and approaches, thereby assisting in improving the Company's corporate governance, risk management and control process.



Internal Control

We adopted the control criteria framework set out in the *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in establishing a stringent internal control system. At the same time, pursuant to external regulatory requirements and the development and alteration of our businesses and internal management processes, we systematically reviewed the reasonableness and effectiveness of our internal control design. We also explored the idea of establishing a comprehensive risk management system framework which integrates internal control and risk management requirements focusing on high risk areas and key controls of our business operations. Furthermore, we actively promoted the application of management information system for internal control. Through this system, the Company is able to keep itself abreast of the status of internal control compliance in each business unit, enhance management efficiency, and hence reinforce the accountability of internal controls.

Legal Risk Management

To address both internal and external changes we came across, we continued to improve our legal risk management system in 2011. We analyzed 9 key legal risks such as asymmetric regulation and copyright risks and adopted relevant measures in response, and successfully carried out inspections on the management of corporate legal risks at our provincial subsidiaries. We also actively participated in the policy making process that closely related to our operations, such as the *Telecommunications Law (Draft)* and the *Regulation on Supervision and Management of Listed Companies (Revised)*. We achieved group-wide sharing of law suits data by implementing relevant alarm and reporting systems. In addition, we also explored methodologies and shared experiences of managing law suits, such as exploring how to prevent intellectual property disputes. We analyzed previous legal disputes and developed improvement suggestions accordingly to further strengthen our business operations and improve the quality of our services.

Corruption Prevention and Discipline

After a few of our senior management personnel were disciplined for violating laws and disciplines in the last two years, we analyzed how the problem originated and took active measures to strengthen our corruption prevention system and mechanism with a continued focus on prevention and discipline.

Innovating on Anti-corruption Education

We insisted on establishing a comprehensive system on integrity education that covers all employees focusing on practical contents. Using a variety of training media such as office network, e-training, SMS and mobile papers, we organized various anti-corruption and integrity trainings, compiled the *China Mobile Anti-corruption Education Plan* and incorporated business ethics as part of corporate culture.

Strengthening Anti-corruption Systems

We organized anti-corruption trainings for senior management personnel and employees holding important positions and required them to sign the anti-corruption commitments. We strictly implemented a senior management personnel rotation policy and enhanced the supervision of senior management of our provincial subsidiaries through inspection tours. We had also issued the *Regulation on Sanctions for Violation of Disciplines and Rules by Employees (Trial)*, and required all of our business partners to sign *Business Integrity Commitments* and *Business Integrity Agreements* when participating in procurement projects and executing procurement agreements.

Intensifying Complaint Handling Capability

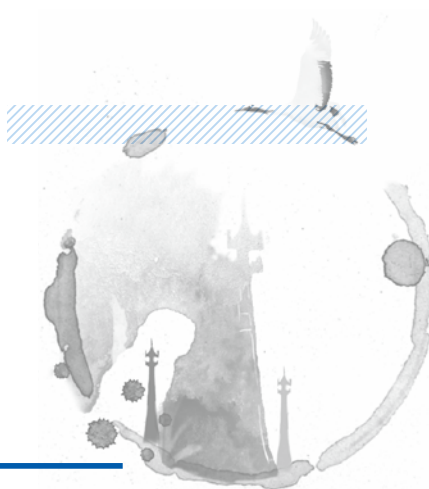
We have intensified our management of whistle-blowing of violations of discipline and developed a comprehensive management system to manage complaints. We have also improved our measures for reviewing and investigating complaints and imposed severe penalties on violations.



In Shandong, we organized anti-corruption education for local management personnel at mid-level or above

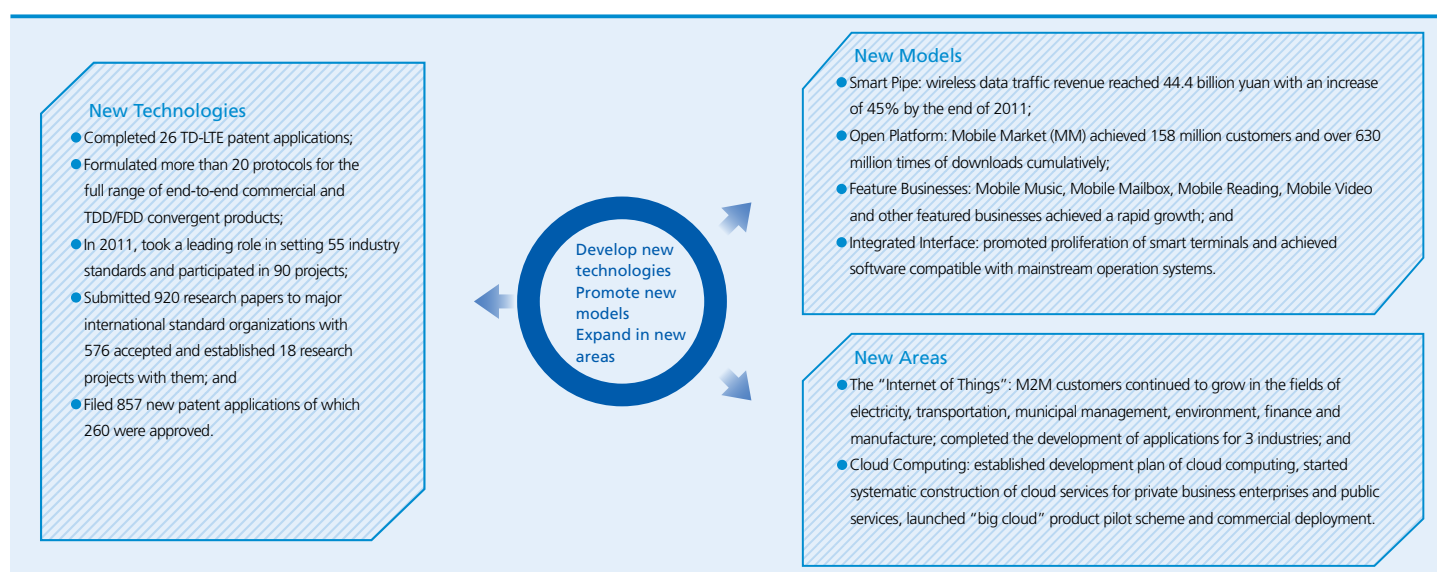
Innovative and Highly-efficient Operation

The increasing popularity of mobile communications and decelerated development in traditional telecommunications have led to increasingly fierce competition among operators for market share and customers. New mobile internet services have great growth potential but they also bring new requirements upon the mechanism and model in which we operate. Facing the new phase of development and competition, we strive to build our core competencies based on innovations as well as with increasingly centralized and specialized operations.



Innovation-driven Development

In 2011, we continued to improve our innovation management and motivation systems to encourage innovation among our employees. We continued to push the development of TD and TD-LTE technologies forward and to promote the transformation of our business model, establishing a new model featuring "Smart Pipe + Open Platform + Featured Businesses + Integrated Interface". We also explored and promoted M2M (Machine to Machine) technology and the "Internet of Things" and actively developed informationalization applications and integrated applications.



Mobile Market Provides 3 Platforms

- Consumer-oriented one-stop sales platform: MM gathers developers and their outstanding applications (such as software, games and themes) as well as ample digital resources (such as music, videos and readings), which allow consumers to experience, download and purchase from different platforms and terminals in real-time;
- Developer-oriented one-stop service platform: The "MM Cloud" service aggregates resources from China Mobile and third parties. It establishes a closed-loop services process covering the phases before, during and after development, provides developers with a one-stop cloud services platform for developing, testing, releasing, managing, trading and operating mobile internet applications, which effectively reduced the barriers to entry for developers; and
- Industrial chain-oriented one-stop support platform: Adhering to the principle of "Cooperation by opening up, development through competition", MM gathers the best aspects of the industrial chain and builds a healthy ecosystem through providing information publication, industry integration and business models for the partners in the industrial chain.

Specialized Operations

In 2011, we continued to improve our management process and operational efficiency through centralized management and operation. In order to reduce terminal cost, improve operation efficiency and consolidate the industrial chain of mobile terminals, we established China Mobile Group Terminal Company Limited. At the same time, we founded China Mobile International Company Limited, to provide businesses such as international voice services, international roaming and global internet services to continue improving our specialized business operations.

Constructing Excellent Network

The continuous increase of mobile users and explosive increase in demand for data communications bring new challenges to network capacity and quality. We are committed to building a high-quality mobile network, fully optimizing network quality, enhancing emergency response readiness and maintaining the high level of network reliability and efficiency. Meanwhile, we attach great importance to our EMF management and strengthen the promotion and communication of EMF knowledge.



Enhancing Network Quality

In 2011, we innovated on core technologies, improved our management and incentive mechanisms and made continuous efforts to optimize network structure:

- We carried out our first third-party survey on customer satisfaction on network quality, created an index of customer satisfaction on network quality, analyzed key factors affecting customers' perception of our network and continued improving the quality and reliability of our network.
- We launched a "Network Quality Competition" and discovered a total of 98,268 problems, of which 91,104 were solved with the resolution rate of 92.7%. We summarized a total of 5,404 outstanding cases, technological innovations and best practices.
- We built the first automatic testing system in China that was able to integrate test data collection and optimization analysis together and completed network quality test in 325 cities at and above prefecture level for the first time with annual test efficiency of over 40 times of the previous manual test. Since the implementation of the system, we have discovered and solved over 44,000 network quality problems.

In addition, we compiled the *Customer Service Manual on Network Related Complaints* to increase the efficiency and quality in handling complaints about network problems. In 2011, after undergoing a number of projects such as the "Overall Sampling Analysis on Network-related Complaints", we were able to specify the ultimate reasons behind each type of network quality complaints. We then established company-wide benchmarks of best practice in 3 areas including problem solving, management process and support mechanism in order to improve network quality.

In Hainan, with all the 8 base stations in Nansha Islands in operation, our signals now cover the southernmost point of the South China Sea, achieving full coverage of all the islands and reefs in Nansha.

During the 2011 Network Quality Competition,

98,268
problems were discovered

91,104
problems were solved

92.7%
problem solving rate

Enhancing EMF Management

We have formulated several rules and regulations to enhance our EMF management, promoted EMF knowledge among communities and established a healthy and worry-free communication service.

Enhancing EMF Management and Supervision

In 2011, we issued the *China Mobile Regulations on EMF Management* that further systemizes, regulates and standardizes our EMF management. We also issued the *China Mobile Regulations on EMF Inspection (Provisional)* to review the EMF management performance of 1/3 of our provincial subsidiaries of the Group every year. We have arranged EMF self-assessment and self-rectification among all the base stations and required our provincial subsidiaries to submit EMF management progress report every quarter.

Promoting EMF Communication

We engaged Beijing University of Posts and Telecommunications in research on the impact of mobile communications EMF on health of biological bodies. We also collected best practices globally and issued a book titled *EMF and How to Avoid It*, which symmetrically introduced EMF knowledge of mobile communications. Moreover, we had set up a specific section about EMF on our official website introducing EMF standards and its development, as well as an EMF section in our OA system to introduce EMF knowledge to our employees.

In Ningxia, we invited some customers in the neighborhood to a site under construction to participate in our EMF measurement. The result, showing that the EMF meter in the base station was only about 1% of that from making a mobile phone call, addressed the customers' concern.

Strengthening Emergency Communications Support

In recent years, mobile network has become an important channel of information dissemination and communication. The public has an urgent demand for communications at the time of major events and sudden incidents. We have established a strong emergency management system to provide smooth emergency communications support for major events and emergencies. On one hand, we have strived to provide communications support and services for all major events such as the Xi'an International Horticultural Expo and the 26th Universiade hosted in Shenzhen; on the other hand, we have made great efforts to enhance our capability to deal with various emergencies and natural disasters such as rain, flood, snow and drought to ensure stable and smooth communications.

In 2011, we formed the Emergency Communications Leading Team at our headquarters and completed the organizational and personnel preparation and developed the emergency communications management framework at the provincial subsidiary level. We have developed a regional disaster-specific emergency communications support system that contains 6 major regions according to geographic location, transportation conditions and types of disasters. We clarified the responsibilities of provincial subsidiaries within each region, forming a regional emergency support mechanism that consists of "Leading Bureaus – Collaborating Bureaus – Common Bureaus". Leading bureaus and collaborating bureaus are required to establish emergency support teams that respond to different incidents and support scenarios across different regions in China.

Moreover, we also improved our emergency plan system, strengthened the disaster resistance capacity of our communications network, enhanced our preparedness in emergency supplies and equipment and further improved our capacity to provide emergency communications support.

In Yunnan, a 5.8 magnitude earthquake happened in Yingjiang county at 12:58 pm on 30 March. We took prompt actions to prepare for disaster relief tasks and ensure smooth communications in the disaster areas.

In Shaanxi, the International Horticultural Expo had its opening ceremony in Xi'an on 28 April. We made thorough preparation for this event that included engineering and construction, resource allocation, maintenance and optimization. We built 69 base stations and allocated 72 workers in 6 on-site service teams to provide "24/7" services for the event.

In Guizhou, a mudslide caused by heavy rains cut off the communication connections with a number of townships in Wangmo county on 6 June. Our emergency response team worked for more than 10 hours continuously to restore communications within the area starting from Dayi township, Wangmo county.

In Zhejiang, the D301 train from Beijing to Fuzhou collided with the D3115 train from Hangzhou to Fuzhou at 20:27 pm on 23 July. We activated the emergency response system immediately and the first group of our emergency support personnel arrived at the site at 22:20 pm and promptly completed a number of tasks including network optimization, base station off-loading and starting emergency power generation.

In Guangdong, the 26th Universiade started in Shenzhen on 12 August. Aiming at the goal of "ensuring a safe event with no mistake", we overcame a number of difficulties, such as the large amount of construction work as well as tight schedule, and provided communications support to the game successfully with no significant error, no focused complaint and no network security breach.

In 2011, for the purpose of emergency response,

4,671
times that emergency response mechanisms had been deployed

320,866
person-times that emergency response personnel had been dispatched



In Xinjiang, we held emergency communications support skills competition



In Jiangsu, we organized emergency communications drill



In Guangxi, our rescue personnel was delivering fuel for electricity generating to Liuzijie in Quanzhou county

Striving for Customer Confidence

China Mobile adheres to its mantra of “Customers are our priority, quality service is our principle”, actively takes measures to respond to and deal with customers’ requests and endeavors to provide convenient services so as to ensure customers’ rights and benefits are well protected.

Addressing Customers’ Needs

We actively address customers’ needs, reduce tariffs on a continuous basis, strive to provide efficient and convenient services and pay great attention to customers’ complaints.

Improving Customers’ Satisfaction towards Tariff

In 2011, we set improving customers’ satisfaction towards tariff as one of our major tasks and included this facet into our annual customer satisfaction assessment system as one of the assessment indicators.

In order to improve the affordability and promote the use of communications services, we continued to reduce tariff levels so as to improve customers’ satisfaction. We launched the GoTone Internet package, business traveler package and a number of data service packages accompanying these plans Group-wide. The new plans have lower rates but more minutes volume and Internet traffic volume. In addition, we have also lowered the international roaming tariffs, including voice, SMS and data, of 38 countries and regions. We have also introduced several new daily roaming data plans for international communication as well as for Hong Kong, Macao and Taiwan.

Providing Convenient Services

We create better customer perception by promoting transformation of the operation mode in our service halls.

In Gansu, we created the “First-line Space Station” to explore a new service model which offers a full range of services through multiple contact points. The “First-line Space Station” allows integrated service workflows and is suitable for occasions such as move around services in service halls, home-visit to corporate customers, on-site service handling, managers’ mobile office and new business promotion. Customer waiting time was reduced by 3.2 minutes on average representing an approximately 60% decrease after its application.

In Xinjiang, we opened the first mobile phone “4S” one-stop service hall.

It has four main areas consisting of sales, select business, sensation and service, which allows customers to enjoy a full range of mobile phone related services and after-sales service experience.

Strengthening Response to Customer Complaints

In order to address the needs of our customers in a timely manner, we optimized our process of collecting and processing customer complaints. We also made dedicated efforts to support frontline employees who directly serve our customers to allow them to communicate with customers promptly and conveniently.

In Hunan, we launched the “Transparent Electronic Complaint Worksheet” system that serves all customers. The system allows our customers to check the processing status of their complaints and suggestions within the last 90 days either via SMS service channel or at our web portal, fully satisfying customers’ information access rights and effectively improving their satisfaction.

In Liaoning, we improved our complaint handling process with four mechanisms: a two-tier monitoring mechanism that monitors the complaints handling process through forwarding the complaints and phone calls; an orange and red two-tier alarm mechanism that monitors complaints and media coverage; a supervision mechanism that supervises and follows up on major complaints, and a feedback mechanism that deals with the possible remaining issues in the handling process of the customers’ complaints for the second time.



China Mobile's 10086 hotline provides professional “24/7” services



In Guangxi, we provided “children seat” for customers

Ensuring Transparency in Consumption

Leveraging on our strong business support system, we provide customers with accurate billing information allowing customers to know what they are spending on.

In early 2011, we initiated two new “Transparency in Consumption” services in China: “SMS reminder before imposing charges” and “0000 centralized channel to review and unsubscribe value-added services”. After subscribing to a value-added service, a customer will receive a SMS reminder before the service is billed and he/she can review his/her monthly value-added service usage and unsubscribe any service by simply texting the message “0000” to our 10086 service hotline. These services allow us to better protect our customers’ information access rights and to enable our customers to make informed choices.

At the end of 2011, we announced that from 1 January 2012, new pre-paid customers will no longer have expiry dates on their accounts. Existing customers with expiry date on their accounts can choose to end it by the second quarter in 2012.

Optimizing Customer Agreement

In 2011, we thoroughly updated and optimized 4 customer agreements that related to service subscription, service transfer, service unsubscribing and customer information gathering. We strengthened the protection of customer rights, such as specifying that the customer has the right to choose third-party value-added products and services freely, and made our responsibilities to customers more specific, such as providing the customer with “free balance checks”. We also further standardized the content and phrases of the agreements to make them easy to understand.

In Jiangxi, we fully enhanced our data consumption alert service. We optimized our business support system and improved and added 10 usage alert functions for both customers with monthly service packages and pre-paid customers to tackle the problems of unnoticed data consumption and above-quota data consumption.

In Sichuan, we continued to promote the practice of “double refunding for billing error” and ensure an accurate billing system. We also provided customers with accurate, timely, detailed and comprehensive billing information and call records, allowing customers to review and print the information. We were the only “Consumer Education Demonstration Base” named by the Sichuan Consumer Protection Committee in the communications industry in Sichuan.



In Gansu, we guided customers through our service options

Protecting Information Security

The incidents of customer information leakage have severely damaged the customer privacy. To avoid the occurrence of such incidents, we have been making continuous efforts to strengthen information security in our entire network with the goal of “developing a world-class information security system”.

Strengthening Information Security Management

We have been adhering to the “5 Bans” for customer service, strengthening the establishment of systems and measures for information security, improving information security evaluation system and perfecting the overall information security of our network operations. In 2011, we have mainly taken the following measures:

- Improving Customer Protocol: In the updated customer agreements on service subscription and on customer information gathering, we added a chapter about “Protection of Privacy and Communications Rights”, specifying that it is the right of the customer to have freedom in communications and keep communications content secret, China Mobile is responsible for the security of customers’ personal information and communications information and other related content;
- Strengthening Content Management: We developed the *Regulations on Customer Information Security Management* and the *Customer Information Security Control Matrix*, specifying the allocation of responsibilities, technological protocols and examination methods regarding information security management, and mapping out the control points to conduct information security checks;
- Compiling Best Practices: We compiled 28 information security solutions from 17 provincial subsidiaries and formulated the *Solutions to Customer Information Security Protection*;
- Formulating Administrative Rules on Information Security: We formulated dedicated administrative rules on information security for systems involving customer information security such as WAP, MMS, SMS, Smart Network and Network Management System;
- Enhancing Personnel Management: Following the principles of “focusing on key operations, requiring multiple controls and check and balance”, we formulated the “*Vault Mode*” *Management Regulations* which prescribed detailed management requirements on 17 key systems, effectively reducing the risk of sensitive information leakage by management and maintenance personnel; and
- Strengthening Education and Training: We organized employee training sessions on laws and regulations with regard to customer information security and provided systematic security training to key technological and managerial personnel, ensuring all employees understand and comply with the relevant laws and regulations, requirements and policies, disciplines, and regulations on penalties for violations.

Handling Mobile Malware

To deal with the increasing occurrences of malicious software on the Mobile Internet, we have established a daily malicious software warning and emergency response mechanism involving multiple departments at our headquarters and at the provincial subsidiary level and monitored malwares on the Mobile Internet. Based on the pilot programs conducted at the provincial level, we actively promoted the construction of centralized mobile malware control system allowing centralized identification, analysis and block of malicious software. Working at both the cloud side and the client side, we innovated on the mobile operator-centric “cloud” system that uses the Mobile Internet to analyze and detect mobile malware and clean them at the handset side precisely. By the end of 2011, we have identified and dealt with nearly 700 varieties of mobile malicious software.

With the arrangements by the Ministry of Industry and Information Technology (MIIT), we established mobile malware monitoring system in both Jiangsu and Guangdong and completed the pilot programs of monitoring and handling of mobile malware.

In Jiangsu, we have developed an Internet-based active mobile malware prevention system that detects and blocks mobile malware on the Internet. Being able to detect over 3,000 mobile malware from 400 series, the system virtually covers all known mobile malware found in China and has a blocking rate of over 99%.

Enhancing Security of New Technologies and Businesses

In 2011, we conducted research on security related topics for new technologies and businesses such as cloud computing, TD-LTE and the “Internet of Things” in order to lay out the protocols and technological framework to ensure information security and avoid potential risks.

“5 Bans” for China Mobile Customer Service

- Do not disclose or exchange customer information;
- Do not send illegal information or do not send commercial advertisement without customer’s consent;
- Do not subscribe or alter services for customer without customer’s confirmation;
- Do not collude with, cover up or allow providers of value-added services to disclose customer information, subscribe data and information services for customers, or 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.

In 2011, nearly



700

varieties of mobile malware were identified and dealt with

Advocating a Healthy Communications Culture

We have established dedicated organizations and allocated specialized personnel to control the dissemination of harmful information with a view of advocating a healthy and green communications culture.

Controlling Harmful Content

In 2011, on the condition of protecting customer privacy, we took steady steps to deal with obscene content on mobile phones by streamlining management, formulating a centralized strategy and upgrading technologies. By the end of 2011, we had found out and blocked more than 430,000 domain names, which effectively fostered a clean Internet cultural environment and protected the minors' healthy growth.

Blocking Spam Messages

In 2011, we actively explored the centralized model for controlling spam messages to fully enhance our spam control capability. We established a unified databank of strategic guidance and developed a mechanism to update, evaluate and share the information, which preliminarily solved the problem of un-unified standard in blocking spam messages and the variances in implementation.

According to the statistics of 12321 Internet Obscene and Spam Information Handling Center, the percentage of numbers from China Mobile's network (22%) reported as being involved in spam messaging had reduced by 11% as of December 2011. According to the statistics of our spam reporting platform 10086999, the average monthly number of reported spam messages in 2011 had decreased by 38% compared with that of last year.

Stopping Harassing Calls

The increasing popularity of mobile communications has brought convenience to peoples' lives on one hand. On the other hand, however, the increasingly frequent occurrences of harassing calls have brought troubles to customers. We have adopted various measures to stop harassing phone calls to protect our customers' interests.

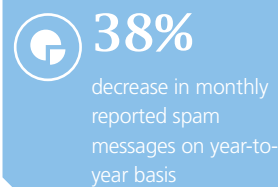
In Gansu, we developed harassing calls monitoring system and successfully put it into operation. The system can effectively identify phone calls with high calling frequency (over 30 calls per hour) and calls with extremely short duration (with call duration of 0 second) and curb harassing calls intra and inter network.

In Fujian, after the 311 earthquake hit Japan, some people illegally made use of the chaotic situation in Japan to commit telephone and SMS fraud targeting Chinese overseas students in Japan and their families. We tried to alert users through on-site notification as well as sending SMS warnings in collaboration with the police.

Carrying out Third-party Monitoring

In order to identify irregularities such as using SMS port or numbers to send spam messages and leak customer information, we carried out third-party monitoring of violations and established a closed-loop management workflow that consists of locating, investigating and rectification protocols. In 2011, based on the results of the third-party monitoring, we penalized 42 partners and among them, we discontinued our cooperation with 24 partners with serious violations.

In 2011, we had realized a



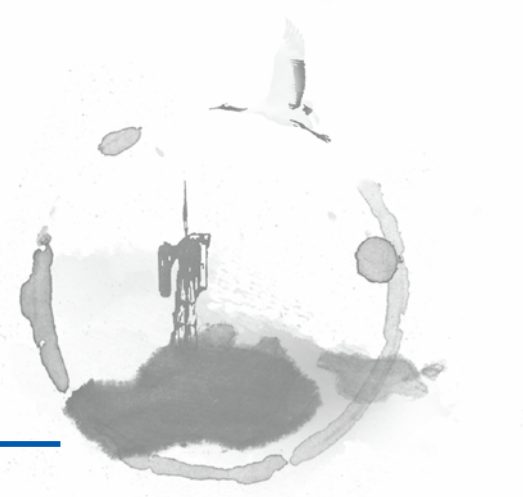
In Guangxi, our cooperation led to the arrest of criminals running mobile phone frauds

In 2011, based on the results of the third-party monitoring,



Narrowing the Digital Divide

In 2011, in order to further narrow the digital divide, we focused on providing farmers with more affordable communication business and services and launched informationalization applications benefiting farmers' lives and agricultural production while strengthening the rural network construction. Meanwhile, we have thoroughly considered the special needs of disadvantaged groups, such as the disabled, the elderly and ethnic minorities and made efforts to customize enriching and practical communication and information services for them, thereby expanding the benefits of informationalization to a wider group.



Narrowing Urban-Rural Digital Divide

Narrowing the digital divide and promoting rural development are our main focuses in carrying out social responsibility and promoting sustainability. Targeting at "benefiting farmers through rural communications, distribution and information networks and assisting in building new countryside", we provide rural areas with "available, affordable and credible" information communication services continuously.

Constructing Rural Network

In 2011, with our "Village Connected Project",

10,265
 natural villages were connected with mobile telecommunications

4,031
 administrative villages were connected with broadband

In 2011, we further advanced the "Project for villages to have telephone connection" ("Village Connected Project"), bringing mobile telecommunications to 10,265 natural villages and installing broadband in 4,031 administrative villages across 15 provinces, including Xizang, Xinjiang and Sichuan in 2011.

Due to inadequate power supply and poor network transmission quality, we adopted several measures to improve rural network communication quality:

- repaired power supply environment at base stations to improve reliability of the power circuit;
- regularly discharged the lead acid batteries at base stations for assessment purposes to grasp the actual performance of the batteries accurately;
- strengthened the infrastructure maintenance work at base stations to efficiently improve batteries' lifespan and function;
- studied and extended base stations' anti-theft system to reduce theft rate;
- integrated the infrastructure maintenance resources to promote co-construction and sharing between different operators;
- studied and developed the "Uninterruptible Power Supply" device to ensure network safety in power failure; and
- provided more training opportunities to strengthen the construction of base stations' maintenance team.

Making Service More Affordable

We launched the "Benefiting Farmers Project" to reduce communication service charges in rural areas continuously and to provide farmers with affordable services.

In 2011, we promoted the "Agricultural Support Network" preferential tariff in Jiangxi, Guangxi, Yunnan and other provinces. In addition, we also carried out promotions such as "Free Mobile Phone with Subscription", "One Yuan Mobile Phone with Subscription" and free intra-network talk to truly bring down the cost of using communication services by local farmers.

To address migrant workers' short-term need for communications during their travels during the Spring Festival period, we collaborated with the Ministry of Human Resources and Social Security and launched the "Spring Breeze Action" for three consecutive years, offering migrant workers the "Two Cities, One Home" discounted roaming package. In 2011, we offered a 60% discount together with free job information and free hotlines. The number of "Two Cities, One Home" customers had increased from 11.87 million in 2010 to 20.1 million in 2011.



In Qinghai, our "Village Connected Project" was welcomed by local residents



In Guangxi, we provided migrant workers with discounted service packages

Developing Rural Information Services

We continuously enrich and perfect our "Rural Information Service" businesses, providing a number of sub-services like "Everything Easy", "Rural Job Search", "Agricultural Meteorological Service" and "Rural Information Package" covering information involving dozens of areas such as agricultural cultivation, production-supply-distribution, rural administration management and farmers' livelihood. In January 2011, we launched the 12582 "Rural Information Service" 24-hour hotline to provide customers with live information services about policy news, medical and social security, weather, legal assistances and other live information enquiry services. As at the end of December 2011, the hotline system had been called over 28.5 million times.

We actively collaborate with the relevant stakeholders to establish rural information service platform. Under the guidance of the Ministry of Agriculture, we initiated a number of cooperating services, including 12316 "Rural Information Service", agriculture machine dispatch information service, agriculture information collection and link-up service between agriculture and commerce. In collaboration with the Ministry of Commerce, we established an effective link between agricultural production and market supply and demand. In addition, we constructed the "Thousands of Villages Market Project" information service platform and combined it with "12582 Rural Information Service", accelerating the integration and operation of commodity flow, information flow and fund flow in rural areas and effectively expanding rural information service channels.

In Fujian, we jointly launched the "Caring about Rural Areas and Benefiting Thousands of Families" program with the provincial agricultural office and other relevant departments where we focused on providing holistic informationalization solutions for benchmarked enterprises from 12 agricultural industry groups in the province. For example, we cooperated with Ningde Fishing Association to establish the "Easy Trading Platform", which shortened the sales process of Ningde fishing industry and provided more room for developing the cross-strait fishery trade.

Assisting Modern Agricultural Development

We have actively explored the combination of the "Internet of Things" applications and agriculture, adopted greenhouse remote monitoring technology in Anhui, Shandong, Gansu, Xinjiang and other provinces and districts. We also innovated on automatic drip irrigation and water conservancy informationalization, accelerated the transition from traditional to modern agriculture and effectively advanced the sustainable development of agriculture.



In Zhejiang, "Farmer's Mailbox" helped farmers with their business

The "Internet of Things" Promoted Agricultural Water-Saving Irrigation

In Xinjiang, aiming at solving current problems of water shortage and lower utilization ratio, we were the first in Shihezi to develop and apply automatic drip irrigation controlling system. The system advances the development of modern agricultural water-saving irrigation technology from three aspects:

- Automatic drip irrigation: The system can identify irrigation quantity and duration based on collected information of soil humidity and different irrigation requirements of crops. Users can control the automatic irrigation through operating the switches of electromagnetic valves by mobile phones, computers or other terminals;
- Well-proportioned fertilization: The system can automatically ration nutrient solutions according to the different fertilizing needs of crops. Users can also carry out automatic, timely and suitable irrigation and fertilization remotely through the system; and
- Automatic collections of field information: The system can carry out integrated analysis on the weather, soil humidity, evaporation, rainfall and wind speed to monitor the growth environment of crops.

Currently, the automatic drip irrigation controlling system has achieved outstanding results in the following three aspects:

- Increasing production: Using spring wheat as an example, the average yield has reached 583 kilograms per mu (667 square meters) under automatic drip irrigation, with an increase of 243 kilograms compared to regular irrigation. In general calculation, the net income has increased 436 yuan per mu, growing by 2.3 times;
- Enhancing work efficiency: With the promotion and application of automatic drip irrigation controlling system, the pipeline network has gradually replaced furrows in the field. Compared to regular cultivation patterns, the management quota of a cotton farmer has been increased from 25-30 mu to 80-120 mu, with labor productivity growing by 3-4 times; and
- Improving ecological environment: The application of the automatic drip irrigation controlling system has significantly improved the utilization of water resource. As of 2011, integrated with a variety of other water-saving irrigation methods, we have achieved annual saving of more than 1 billion cubic meters. The saved water was used in converting 100,000 mu of obsolete farmlands back to grasslands and constructing 140,000 mu of ecological protection forests, which has transformed 70 kilometers of desert into oasis, promoting the slogan, "Huamns march forward while deserts back down".

As of December 2011, the system has expanded crops from cotton to winter wheat, spring corn, potatoes, cayenne pepper, soybean and rice. In Shihezi, automatic irrigation had been applied in 9 farms with a total application area of 800,000 mu, which was estimated to exceed 1.3 million mu in 2015.

If this technology was applied in half of China's wheat fields, it will save 20 billion cubic meters of water per year, which can achieve the national target of increasing 100 billion tonnes of grain production in just one year, and is of great significance to ensure national food security and sustainable agricultural development.

Zhai Xuejun,
Director of China Semi-Arid
Agricultural Engineering
Technology Research
Center

Serving Disadvantaged Groups

Promoting informationalization for the benefit of the disabled, elderly and ethnic minorities forms a significant part of our work to comprehensively narrow the digital divide. In 2011, we further developed communications products and services to satisfy the demand of the special groups and provide them with convenient communications and living services.

Information Services for the Disabled

In order to help the disabled to easily communicate with others, we continuously provide them with tariff discounts through customized packages, free monthly rental and text messages and call charges donations, reducing the communication cost of the disabled.

In Sichuan, we established a "Love V Network", aiming at helping the disabled people in Mianyang City. People who joined the network could directly dial 3 to 6 short numbers to call others and also enjoy huge tariff discounts. We also assigned special account managers to provide door-to-door services for the disabled. As of 31 December 2011, network users had reached 7,140.

In Shandong, in collaboration with the provincial federation of the disabled and provincial foundation for disabled persons, we launched the "Momentous Love and Joy in Assisting the Disabled" program. We helped the disabled to receive information on education, training, health recovery and human rights protection at home by producing a free information platform, assisted them in securing jobs and improved their living standards across 17 cities in the entire province.

Innovative Information Services for the Elderly

China is continuing to become an elderly society and the number of "empty nest" families has increased significantly. According to the statistics, currently "empty nest" families have surpassed 50% in both cities and rural areas, with the number increasing to 70% in some large and medium-sized cities. The question of how to care for the elderly becomes more pressing. We have fully considered the need of the elderly in their daily life and innovated on information services for them through customized terminals.

In Hebei, by collaborating with the government of Baoding since 2010, we have set up the Community Access Solution. We have assigned to each elderly a free wireless "Community Access Solution" terminal which connected the housekeeping service platform in the community through positioning technology to provide emergency assistance, daily life assistances and caring services for the elderly. By the end of 2011, we had assigned 55,000 terminals, received more than 290,000 calls through the 12349 hotline and 425 requests for help through the 12580995 assistance platform, successfully helping 323 elderly people due to timely rescue services.

Information Services for Ethnic Minorities

We show great respect towards the special needs of our customers on languages and religious cultures by launching special information services to promote the popularity of informationalization and to enhance the dissemination of special cultural communication in ethnic minority communities.

In Xinjiang, after launching services of "Masher Card", Uyghur-language Color Ring and Uyghur-language Mobile Paper, we initiated the 12580 Uyghur-language Information Service and promoted it throughout the entire province.

In Xizang, we established a Tibetan-language operating platform, marking a few innovations in the field of Tibetan-language based mobile application. We have also developed main stream mobile phone systems covering nearly 100 mobile phone products which can be written in the Tibetan language, including text messages, news, life knowledge and Chinese-Tibetan translation service.



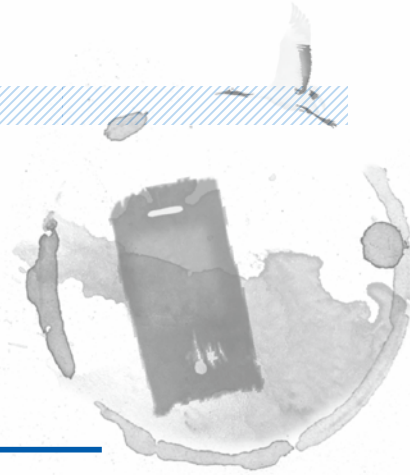
In Shandong, we offered customized "Bright Card" service to visually impaired customers



In Guangxi, our employee learnt Hmong language during her spare time and provided the most professional and sincere services to Miao village

Enabling a Better Life with Innovative Information Solutions

In 2011, we actively promoted the development of the “Internet of Things” and the foundation for developing “Wireless City”. We had already completed the development of the “Internet of Things” applications in the agricultural, industrial and service sectors. The application of these information technologies have brought enhanced convenience to the public, improved production safety and living standard, and achieved higher efficiency in industry developments.



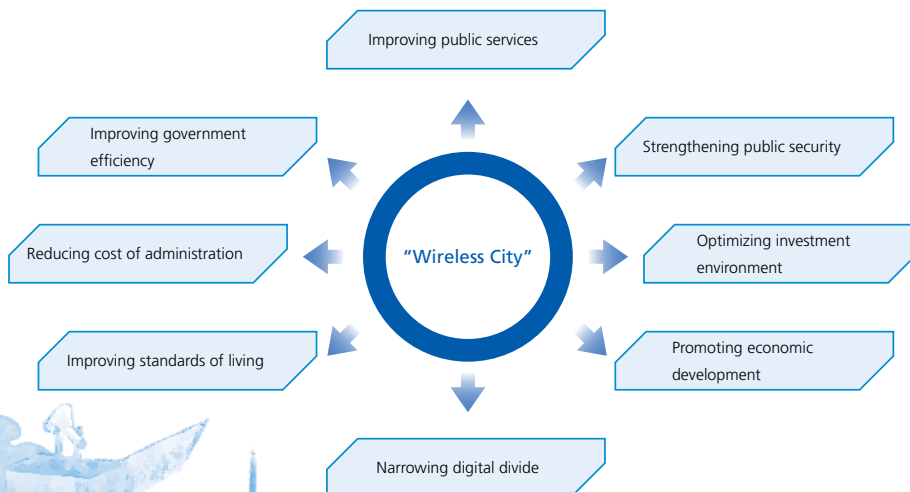
Constructing “Wireless City”

We take full advantage of our edge in information technologies to actively promote the construction of “Wireless City”, integrating “Wireless City” with public administration, public services, traffic control, healthcare, education, employment, finance and shopping, as well as advancing the development of mobile media and diversification of mobile applications.

As of the end of 2011, we had signed “Wireless City” strategic cooperating agreements with 31 provinces, autonomous regions and directly-administered municipalities, and 217 cities, and a national coverage had been established generally covering 50 major applications in 10 categories.

Regarding specific applications, The location-based services have been or are in the process of being implemented in 26 provinces, which focus on providing one-stop travel applications combining functions such as surrounding search, public transportation/driving route inquiry, WLAN hotspots and real-time traffic conditions with positioning ability. The development of mobile payment services has been commenced in 29 provinces focusing on applications for paying utility bills, paying phone bills, making group purchase and booking movie tickets. In Beijing, Guangzhou, Chongqing, Fuzhou, Nanchang, Taiyuan, Xi’an and other cities, people are able to visit “Wireless City” to obtain information on hospitals, doctors and availability of medical appointments as well as to make doctor appointments.

“Wireless City” is a wireless broadband information network system which takes advantage of a number of wireless broadband technologies and covers the whole city or main districts. “Wireless City” aims at connecting information technologies and the Internet whenever and wherever possible, developing abundant wireless information applications closely related to government administration, business operations and people’s lives, acting as a bridge connecting government agencies and their services with customers, offering the public one-stop daily life information services and providing government and corporate customers with city management and industry application services.



Informationalization Promoting Enhanced Healthcare

Healthcare is a vital social issue closely connected with people's standards of living. In 2011, we focused on the healthcare industry as one of the main industries to develop corporate customer services and launched pilot programs of informationalization for hospital treatment, community health management and rural medical care in 7 provincial subsidiaries.

Informationalization of Hospital Treatment

In order to efficiently deal with the problems of long waiting time for making doctor appointments, receiving consultations and obtaining prescription drugs, we have made substantial efforts to build a remote platform for making medical appointment by utilizing our nationwide information services such as the 12580 voice services and Mobile Internet, the Internet, SMS and MMS. Currently, our appointment service has been conducted by 22 provincial subsidiaries, with more than 600 class-2 and class-3 hospitals participating in the system.

We provide hospitals, doctors and patients with informationalization for their convenient communications, establishing medical digital platforms to promote the mobilization of clinical consultation.

In Henan, we established a "3D Mutual Access Platform" for Zhengzhou Renmin Hospital by adopting a series of informationalization applications including: building a database connecting its internal mailboxes with 139 Mailbox to achieve the connection between all departments of the hospital and to implement electronic management of patients' records; launching the MAS service to enable customers to directly visit the united information platform to acquire medical information through mobile phone; building the "Mobile Calling Center" to provide patients with comprehensive services of emergency treatment, doctor appointment and consultation in order to promote interactions between doctors and patients.

Informationalization of Emergency Healthcare

In 2011, we further enhanced the research on and application of informationalization in emergency medical treatment, which had enhanced the timely rendering of emergency medical assistances.

In Shanghai, the government project 120 Medical Emergency Call Positioning System was officially launched with our participation. Using advanced positioning technology, whenever a mobile phone user in Shanghai dials the medical emergency number 120, the caller's position would be promptly and accurately identified by the emergency center.

In Guangxi, we launched the systematic technical research project in relation to medical emergency in both urban and rural areas. The system comprises a call center, a GPS monitoring center, an ambulance terminal and a remote terminal in hospital and includes a number of sub-systems including call control management, ambulance position monitoring, automatic ambulance dispatch, geographical information, voice and video communications and remote medical assistances. The project centralizes the emergency numbers for different hospitals, transmitting data wirelessly in complicated geographical environments and realizing remote information sharing between doctors and patients. By the end of 2011, the system had made 6,669 ambulance dispatches and received 5,247 patients cumulatively.



In Anhui, we launched an intelligent medical treatment program



In Guangxi, our employee was demonstrating the Mobile Health system to medical workers at the emergency center of Luzhai County People's Hospital

Informationalization of Community Healthcare

To benefit the community and streamline the process of obtaining medical diagnosis, we have actively explored and developed information solutions for community healthcare.

In Shanghai, we developed a comprehensive solution of “Remote Healthcare, Cooperative Consultation” by providing doctors and medical experts with real-time voice and video conferences to conduct remote diagnoses for patients. The solution also provides community doctors with medical advice and demonstration of medical procedures, which has led to enhanced convenience for local residents.

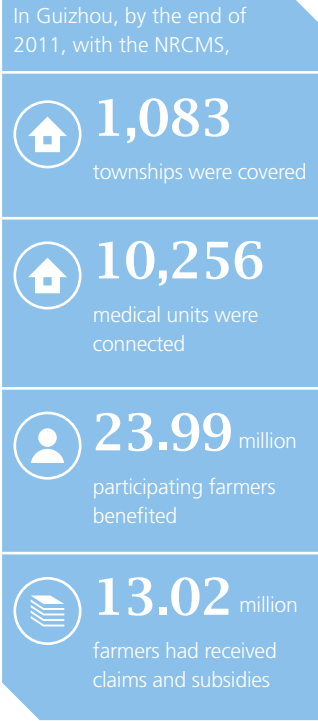
In Jiangsu, we launched the “Community General Practitioner Workstation” which consisted of a service platform, wireless diagnostic equipments and a TD terminal. Following-up on service requests from local residents, the service platform arranged doctor visits and provided emergency services to the patients. The examination results from the wireless diagnostic equipment could be uploaded to the service platform through the TD terminal conveniently. The uploaded information became accessible to doctors and patients alike in real-time. In addition, the platform was able to conduct preliminary analysis of the testing results and saved the information in electronic archives to assist with the doctor’s work. The workstation has changed the model how community doctors work and promoted the development of mobile community healthcare.

Informationalization of Rural Healthcare System

We devote ourselves to improving healthcare in rural areas through informationalization and helping farmers overcome difficulties of inadequate and expensive medical services.

In Guizhou, in collaboration with the provincial Department of Health, we co-founded and promoted the New Rural Cooperative Medical Services (NRCMS) information management system. The system has 10 main functions: participation management, subsidy management, settlement management, business monitoring, fund monitoring, one-card-pass in the province, decision-making analysis, automatic statistics, five-level (province-city-county-township-village) connections and information publication. Currently, the NRCMS has covered 72 counties and 1,083 townships, connecting a network of 10,256 medical units and benefiting 23.99 million participating farmers, among which 13.02 million farmers have received claims and subsidies through this platform.

In Jiangxi, we developed an Intelligent NRCMS platform focusing on four aspects: raising farmers’ subsidy fund, enhancing NRCMS information system, improving network accessibility and building an integrated information service platform. As of the end of 2011, we had already signed NRCMS construction cooperation agreements with 28 counties and developed over 3,200 NRCMS access points at the township level, creating strong support for improving farmers’ participation rate.



Remote Healthcare Opens a New Era for Rural People

To alleviate farmers’ difficulties of inadequate and expensive medical service, we launched the first Dedicated High Definition Telemedicine System Project in Shuozhou, Shanxi in March, 2009. Currently, the project has finished the construction of one municipal-level medical and health information center and 19 remote medical diagnosis centers, including 1 municipal-level, 5 county-levels and 13 township-levels. We have achieved connections of multiple excellent medical resources, with functions of remote expert diagnosis, remote medical devices diagnosis, remote doctor visiting, remote education, remote examinations and video conferences.

After developing to a certain scale, we will cooperate and integrate with other medical information systems, including the NRCMS, Residents Health Record System, Regional Health Information Platform, Electronic Medical Records and Disease Prevention and Control System to form a large-scale medical information system in Shuozhou.

Mr. Zhao is from Xiaoshikou village in Ying County, Shanxi Province. He caught the disease of purpura nephritis when he was 17-year-old. He had received disease control treatment in Beijing and then returned home with continuous medication, but the effects were not good. Considering the high expenditure of further consultation, he decided to accept treatment in the remote medical diagnosis center in Ying County. After careful medical records analysis and medical adjustment provided by nephropathy experts from Women and Children Health Care Hospital of Shanxi province, his condition had improved significantly within a month and he completely recovered in 3.5 months after 4 remote treatments.



In Guizhou, farmers received prompt medical expense reimbursement with the NRCMS

Informationalization Supporting Campus Construction

In order to promote communications and interactions among schools, parents, students and the society, improve information management in schools and enhance the safety of students, in 2011, we actively promoted the informationalization construction in campus.

Promoting Educational Interactions

In 2011, we continued to expand our "Campus Information Service". By the end of the year, the "Campus Information Service" had covered more than 115,000 schools, with over 74,000 urban primary and middle schools, 17,000 urban kindergartens and more than 52.32 million users.

In Tianjin, we worked together with Tianjin Women's Federation to build the Tianjin On-line Parents School. The platform covers 9 main columns such as news express, care, expert on-line, parent classes and more than 20 subsections, which encourages full utilization of education resources and builds bridge for communications among schools, families and the society.

In Jilin, we developed the Digital Schools Integrated Information project and established informationalization portal website with content of the latest school news, class selection system and teacher recruitment management system. This provides students, parents and teachers with integrated information services, which have significantly helped parents gain a comprehensive understanding of the teaching and learning process and promoted efficient communications.

Protecting Campus Safety

Based on services such as card-reading identification at school entrances and students positioning by special mobile phones, we further promoted the construction of "Safe Schools" and actively developed more innovative information applications to establish platforms for parents and students.

In Shandong, we officially ran the "Safe School Buses" system, which combines a special telephone line with the "Campus Information Service". Parents can receive SMS about the time and place of students getting on or off school buses, the bus plate number and route information. Parents could also receive reminder messages and the expected arrival time if school buses were late. Meanwhile, the mobile video monitoring device on school buses can also allow parents and teachers to learn students' safety conditions in the buses at all times, providing safeguards for the safety of the minors.

In Henan, we launched a "Baby On-line" project in Luoyang which provides parents and kindergartens with on-line mobile video services. Parents and the kindergarten managers can learn children's real-time study and living conditions through their mobile phones remotely and better ensure the safety of the children.

By the end of 2011, with the Campus Information Service,

over **115,000** schools were covered

over **52.32** million users were covered

over **74,000** urban primary and middle schools were covered

over **17,000** urban kindergartens were covered



We signed a strategic cooperation agreement with the Ministry of Education to promote informationalization for education



In Anhui, the customized "Kid's Phone" developed by us helped protect campus safety for the non-adults

Informationalization Facilitating People's Lives

In 2011, we paid our attention to the public's needs. We developed and provided ample information communication services to build a more convenient lifestyle in the areas that are closely connected with daily lives such as food safety, public payment and transportation.

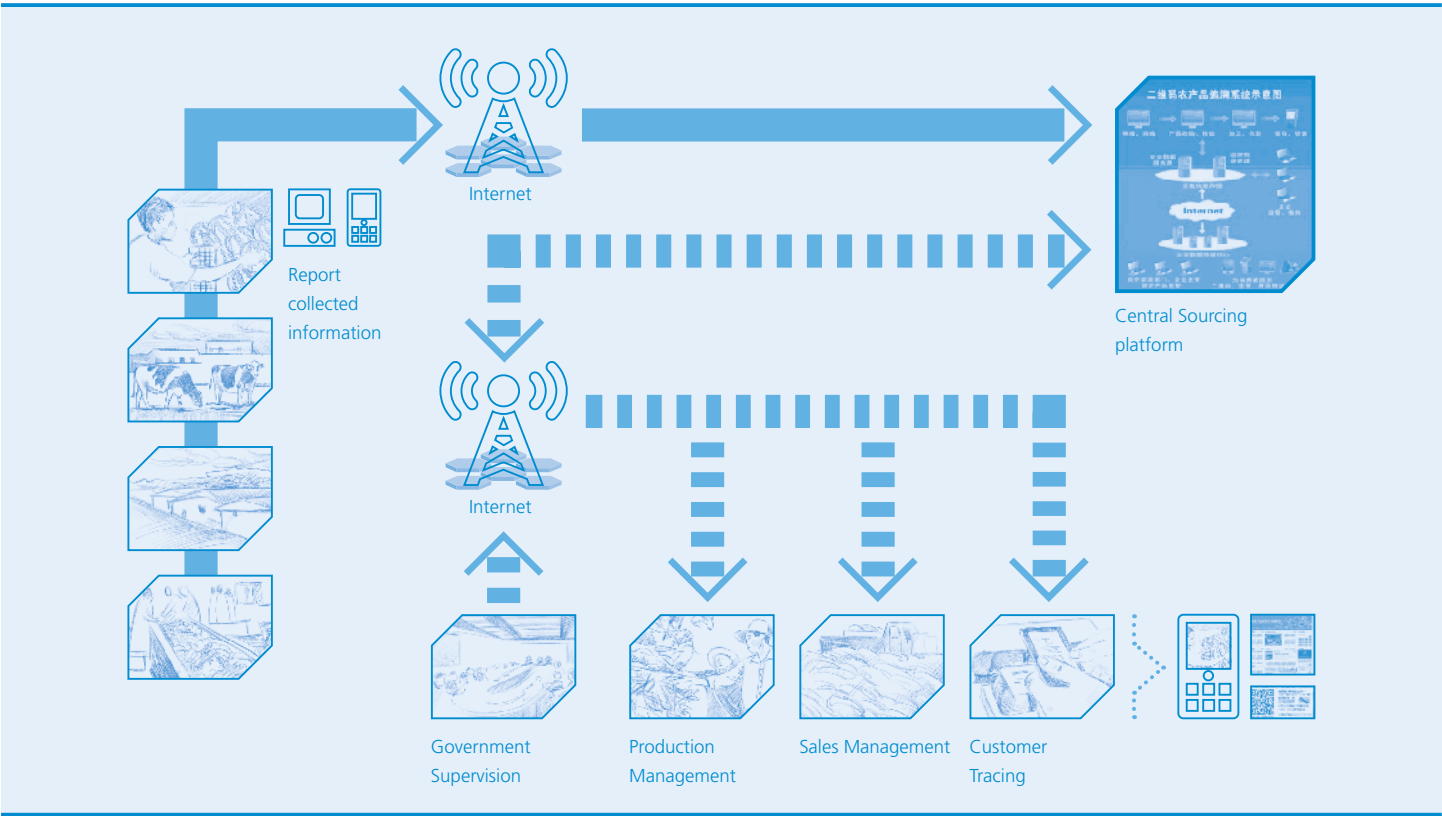
Protecting Food Safety

With increasing public concerns about food safety, the monitoring of food quality and safety has played an increasingly important role. In 2011, we further enhanced the promotion of information applications regarding "animal sourcing" and "food sourcing", placed radio frequency identification (RFID) or two-dimensional bar code labels in food to record and monitor all stages of food production. Consumers can scan identification codes to obtain information of the food which helps to promote safe consumption.

Currently, we have already included 2 billion farmed animals in our "animal sourcing" system which comprises more than 150,000 card-reading inquiry terminals. The system has built a three-dimensional food monitoring network which involves consumers, supervisors and producers, efficiently promoting the animal food monitoring management and related information disclosure.

In Ningxia, in view of the sales of fake selenium sand melons, we built a "Ningxia Agricultural Products Sourcing System" platform to record all information in the process from production, packaging, sales to consumption of selenium sand melons. The system can help the relevant government departments to swiftly monitor and investigate the fake selenium sand melons and enable consumers to verify the authenticity of the melons in real time.

Diagram of Agricultural Products Sourcing System



Improving Quality of Life with Services

We have continued to enrich informationalization applications for individuals and delivered convenience to the public in the areas of making enquiries about public utilities, payment services and mobile payments. Currently, residents in a number of cities can register at the "Wireless City" portal websites to acquire information about water, electricity, gas, social security and housing funds. In some cities, the service of on-line payment has already been available and has effectively solved the problem of excessive queuing and waiting when making payments.

In Beijing, collaborating with the municipal government, we launched My Beijing platform for residents using mobile phone's customized service platform. The platform covers a total of 59 services in 9 categories, including road condition inquiry, housing fund inquiry, administration mail box, on-line people livelihood services, which is an important part of public service construction of Beijing "Wireless City".

Aiming at migrant workers, we issued an innovative "Mobile Remittance" service using China Mobile phone numbers as identification for remittance information which eliminated the need to memorize complicated information such as bank account numbers. Furthermore, Mobile Remittance provides customers with SMS remittance notes, through which, remittance and payment information can be received in a timely manner. The service is particularly convenient for rural customers who have no bank card.

Facilitating Public Transportation

Through the "Wireless City" platform, we provide citizens with traffic conditions and travel route information to improve public travel efficiency.

In Fujian, collaborating with bicycle operating companies, we piloted the construction of "Information Public Bicycle Rental Station". Based on our Mobile Payment service, we provided residents and tourists with mobile electronic wallet service, allowing convenient bicycle rental, return and payment by using the e-wallet card. Meanwhile, we connected the Fujian "Wireless City" with all service channels offering convenient information services such as Bicycle Rental Station Finder and Bicycle Availability Check.

In Guangdong, we cooperated closely with the tourism industry under guidance of the provincial Tourism Bureau and launched the "Tourism Information Service" to provide services of inquiries and searches of vacation plans, en-

trance tickets, hotels, flight tickets and discount activities and on-line booking based on 3G mobile Internet technology and "Wireless City" platform. Tourists can also learn about related tour information through the positioning function. In addition, the "Tourism Information Service" can also realize the mutual interactions between tourists and tour groups to enhance safety of travelling.

In Jiangxi, targeting at the public's traffic problem from large scale traffic routes transformation in Nanchang, we launched "MyBus" service, allowing residents to check bus's real-time location, choose travel routes, stations and waiting times, which has solved residents' difficulties of bus waiting and significantly improved travel efficiency. Since being online, the service had been attracting over 50,000 visits daily.

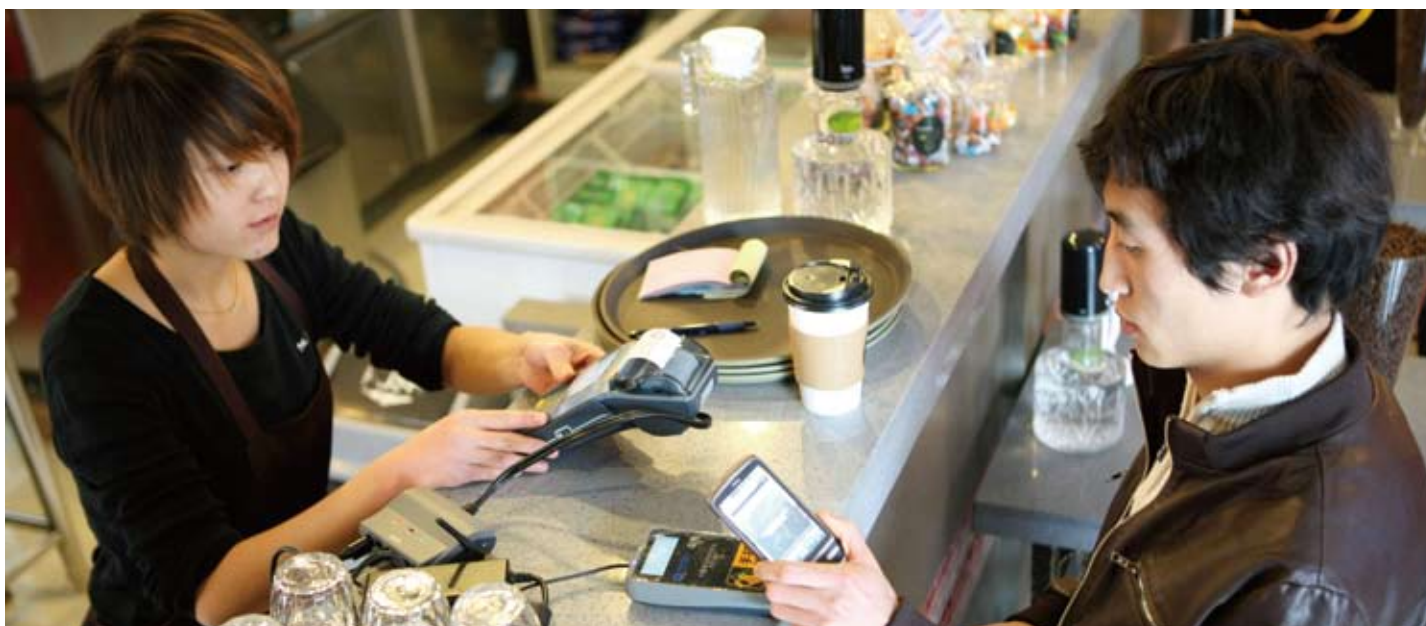
Building Safe Communities

We continuously innovated and developed location information application systems which are applied in disaster and emergency reliefs including fire fighting and flood prevention, contributing to protecting the public safety.

In Shanghai, we built a fire safety information platform by sending fire safety knowledge to firemen at all levels through SMS monthly. Meanwhile, we also assisted Shanghai Fire Bureau in establishing a fire engines position monitoring platform which can track the location and the routes of the fire engines in a real-time manner and provide strong support for the fire relief dispatch and management.

In Guangdong, we established an intelligent electric fire monitoring system based on GIS with GIS system and sound, light and smoke sensing devices, which can report fire accidents at the earliest opportunity. The system can quickly identify the exact location of fire emergency according to the fire alarm information, which is important in ensuring timely and accurate dispatch of fire-fighting and rescue services.

In Sichuan, we constructed a "Natural Disaster and Flooding Alarm Service" system with the cooperation of the provincial Department of Land and Resources to collect and transmit real-time data of remote monitoring, video, displacement and rainfall. The system can automatically send warning data to flood fighters' mobile phones to report information about flooding, rainstorm and mud slides, which has effectively strengthened the public's capacity against natural disasters.



In Gansu, a City Card user was paying for purchase with mobile phone

Informationalization Supporting Cultural Heritage

Improving the whole nation's civilization quality and promoting cultural innovation are important objectives for cultural development in the next five years. We promote and develop new media applications including Mobile Paper, Mobile Reading and Mobile TV, enriching the dissemination channels for social culture.

In May 2010, we launched our Mobile Reading service, which has gathered more than 270,000 digital products encompassing books, magazines, comics and audio books by the end of 2011, attracted more than 60 million customers monthly and more than 400 million clicks daily on average and formed the biggest reading platform for copyrighted digital products in China.

Relying on Mobile Reading Base and integrating with social hot spots, we held various reading activities, encouraging more people to read and promoting the dissemination of classic culture.

- Held "New Youth Palm Reading Plan" theme activities. Using mobile phones as an innovative means of cultural dissemination and reading, we recommended excellent books and classical reading materials to the working class, young white collars and students.
- Held large-scaled "Reading Classics to Experience Life" reading activities, integrated and recommended the notable contents about history, literature, biographies, famous Chinese traditional culture, social and technical education from selected books in the mobile libraries.
- Held a series of activities such as "Masters Lecture Forums", "Masters Face-to-Face" and "Masters Signing Sessions" to enrich people's reading experience in 45 cities including Beijing, Shanghai, Guangzhou and Yan'an.

In Zhejiang, in view of the problems of high costs of constructing and managing libraries in enterprises, we launched the "Enterprises' Palm Library" reading product which features different functions including gift books, recommendations of good books and data statistics. Further, the product also offers the services of customized portals which enable the managers to recommend reading materials to their employees conveniently, fostering a healthy corporate learning culture.

In Anhui, we initiated the "Thousands of Websites Creating Civilized Networks" event held by the provincial Department of Communications to advocate for a harmonious and green network culture. With activities such as SMS Relay, we actively promoted a positive mobile phone culture through a variety of channels including SMS, songs and music, Mobile Reading and Mobile Paper.

In Hebei, we started the "Red Leaf Club" to maintain close interactions with our customers. Through this platform, we collaborated with the provincial Office of Civilization and other organizations and co-hosted the "Spreading Civilization, Praising Our Hometown and Depicting the Future" event, asking our customers to compose and submit SMS messages, music, videos and Mobile Reading pieces with the goal of creating a civilized, healthy and positive mobile phone and Internet culture.

In 2011, China Mobile Reading Platform had

over **60** million
visits per month

over **400** million
clicks daily



In Anhui, the "little journalists" were experiencing our Mobile TV



In Guangxi, people used our customized phone to watch media coverage of the World Hakka Conference

Informationalization Serving Production Management

Leveraging on the advantages of our 3G networks and the “Internet of Things” technology, we provide information solutions of production management and routine monitoring services to industries such as mining, metallurgy, iron and steel, power grid and plant and construction, promoting industrial safety, efficiency and sustainability.

Ensuring Production Safety in Mines

To improve safety monitoring level and safe production condition in mines and effectively prevent and reduce accidents, we actively explore digital applications in mines and make efforts to gradually realize comprehensive, transparent and dynamic management of the operations in underground mines.

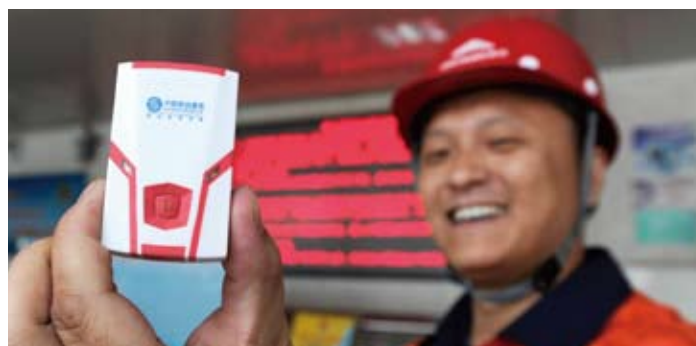
Developing the “Cloud Platform” to Build an “E Mine”

In Shandong, we developed a “Safe Production Information Cloud Computing Platform” for mining companies, built the “E Mine Integrated Information Management System” for each mine and integrated all of them on the “Cloud Computing Platform” at the headquarters in order to help the management understand the safety conditions whenever and wherever possible. The “E Mine Integrated Information Management System” has the following five main functions:

- Safety and production data monitoring: We installed underground production environment monitoring devices including temperature transducers, gas concentration transducers and oxygen content transducers. The information will be transferred to the ground monitoring center through communications network which will be analyzed and sent to all the terminals;
- Miner/vehicle positioning management: We installed RFID in the underground work equipment and fixed card readers in tunnels to realize remotely monitoring, tracking and dispatching miners and vehicles underground;
- Output statistics: We fixed weighing transducers at coal discharge holes and belt conveyors and transferred weighing data to the statistics platform through wireless networks;
- Statement management: The information of the production volume can be checked in a real-time manner which includes daily production schedules, daily safety management statements and individualized items such as key project modules and hidden safety hazards solution modules; and
- Mobile office: We sent notifications to the relevant employees through SMS, provided Company Mobile Paper through MMS, generated statements according to operating data and sent them to the management personnel, filled out various working diaries and sent them to the dispatching platform for consolidation.

The system has provided successful advance warnings for more than 30 times with a success rate of 100% since its introduction in the mines in 2010 and has played an important role in safety management.

In Gansu, we devoted ourselves to the comprehensive information project of Jinchuan Second Mine and established base stations in the mine, completing the construction of four main application systems: wireless network coverage, underground miner and vehicle positioning, traffic guidance in main and branch roads and time attendance access. We also installed a large screen display system on the ground to show the number of underground miners and their positions, quantity of vehicles and their operation conditions, realizing integrated communications on the ground and underground and improving the capacities of underground safety dispatch and emergency guidance.



In Gansu, Mine Integrated Information Project ensured production safety of mining operations

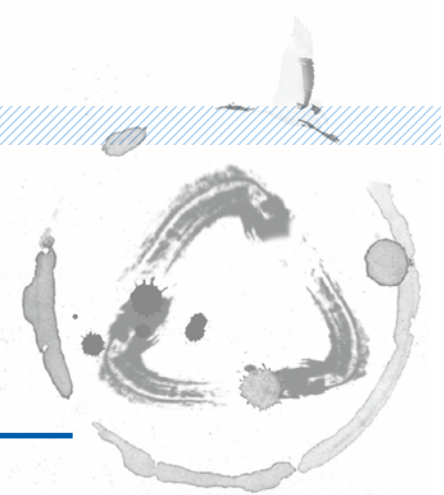
Enhancing Protection and Preservation of Forests

We actively developed information technologies and devices which can execute fire positioning and real-time monitoring and directing to enhance forest security.

In Heilongjiang, we launched the “Eye in the Sky” project in Yichun to build a monitoring system integrating the functions of fire monitoring, identification of warning signals and geographical information system. The project could detect fire sources promptly with rotating cameras, transfer clear pictures to the command center and facilitate remote dispatch. With the fire-prevention positioning function, the command center could master the exact positions of the relief teams, their distributions and proceedings to deploy the relief work reasonably and minimize losses caused by fire. At the same time, the system could also record the whole relief process from the beginning to the extinguishment of the fire and keep real and effective historical information in order to improve fire prevention and relief operations.

Managing Environmental Impacts

China has set the goal of reducing energy consumption by 16% per unit of GDP during the 2011-2015 period. As early as 2009, China Mobile had already committed to reducing electricity consumption by 20% per unit of telecommunications traffic by 2012 compared with 2008 and signed the first *Voluntary Energy Conservation Agreement* in China's communications industry. To achieve the above target, we fully implement "Green Action Plan", to manage our own environmental impacts and improve energy efficiency in operation. In 2011, electricity consumption per unit of telecommunications traffic decreased by 11% compared with the last year, saving electricity of 1.6 billion kWh.



Optimizing Management System

In 2011, we continued to improve our environmental and energy management system under the guidance of the ISO 50001 energy management system:

- Setting goals: We made the *China Mobile Energy Conservation and Emissions Reduction Plan for 2011-2015 Period* under the guidance of the national and industry reduction goals, specifying our reduction goals and implementation systems for the next five years.
- Strengthening evaluation: We carried out third-party interim evaluation on our implementation of *Voluntary Energy Conservation Agreement* in collaboration with China Energy Conservation Association and the Communications Network Operation & Maintenance Committee of China Association of Communication Enterprises. We worked with Det Norske Veritas and Beijing University of Post and Telecommunications and conducted third-party energy efficiency auditing. We also compiled the *China Mobile Management Rules for Energy Efficiency Evaluation (Provisional)* to make energy efficiency evaluation on base stations, communication equipment rooms and management offices a part of our regular work.
- Adopting proved applications: We upgraded and adopted energy saving grading standards for equipment and promoted a number of proved technologies, such as smart carrier frequency technology, distributive base station and multi-carrier frequency amplification. We also conserved energy by utilizing natural cooling sources, increasing ambient temperature in base stations and implementing energy efficiency upgrades of data centers and Internet data centers (IDC).
- Strengthening appraisal management: We included energy conservation and emissions reduction into our appraisal system and broke down the indicators to provincial subsidiaries and lower level. Units and individuals with excellent appraisal results will be recognized and awarded.
- Enhancing exchange and communication: We launched a nationwide campaign named "Energy Conservation and Emissions Reduction Week" and attended the Second World Low Carbon and Ecological Economy and Technology Fair, Sino-U.S. Green ICT Conference and the China International Exhibition of Innovative Green Technological Products as an energy conservation pilot enterprise. Meanwhile, as a founder member of Green Touch, we were elected to board member and vice chairman of the Service, Application and Trend Committee (SAT), which allows us to better promote energy efficiency improvement work.

Conducting Energy Auditing

In order to make a comprehensive evaluation of our energy management and energy conservation and emissions reduction performance, analyze energy conservation potentials and identify directions for improvement, in 2011, we conducted an energy auditing in collaboration with Det Norske Veritas and Beijing University of Post and Telecommunications. The project team made site visits to 10 cities in Guangdong, Sichuan and Jilin and audited 95 base stations, 32 service halls, 9 multi-use buildings, 9 telecommunications equipment buildings and 8 office buildings. The team also audited the documents of three provincial subsidiaries on energy management policies, systems and energy consumption statistics. In addition, the team developed an energy conservation potential evaluation model to forecast our potential in energy conservation and emissions reduction in the future.

C-Aware Application Study on Carbon Footprint

We worked together with the University of Cambridge and Nottingham University in the UK to conduct a joint research project on electricity conservation. The research aims to find a way to improve the efficiency of the equipments through energy conservation in terms of the production environment and to visualize energy consumption information to achieve energy savings by applying intensive management in terms of the office environment. Meanwhile, the research focuses on developing new ICT energy saving innovations based on studies of human behaviors to raise the awareness of energy conservation and change people's behaviors accordingly.

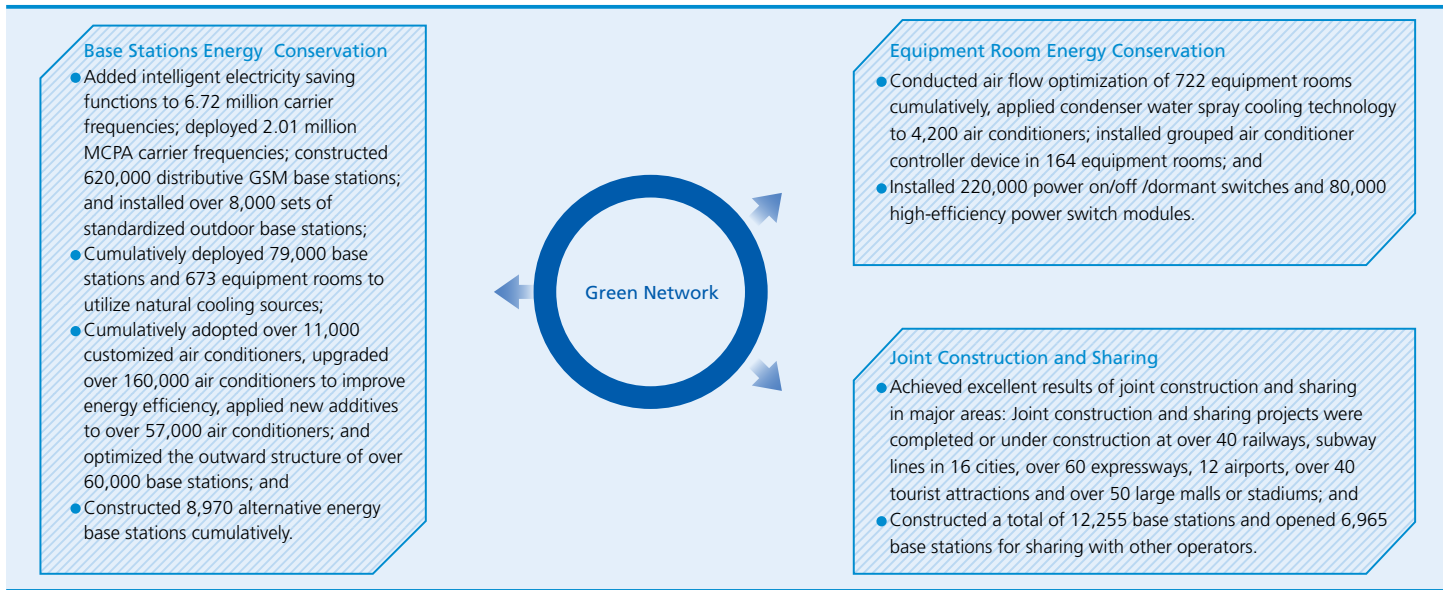
Reducing Energy Consumption in Operations

We are highly concerned about our own energy consumption and environmental impact in every aspect of our operation. We fully reduce our energy and resources consumption from three aspects including green network, green service and green office.

Green Network

In 2011, aiming at establishing an energy-efficient green network, we made great efforts to save energy in base stations and equipment rooms and jointly constructed and shared base stations.

- Intensified the promotion of energy conservation technologies for main equipment: We strived to promote the technologies and applications such as base station intelligent electricity saving technology, MCPA carrier frequency, distributive base stations and outdoor equipment cabinet.
- Built green equipment rooms: We actively implemented air-conditioning energy conservation in equipment rooms and adopted renewable energy to optimize the energy structure.
- Advanced joint construction and sharing of base stations: We developed appraisal measures and communicated with other operators on base station construction plan to increase the number of jointly constructed base stations and their percentage in newly-constructed base stations. We also made efforts to develop industry standards such as technology requirements for joint construction and sharing of base stations to ensure standardized operation.

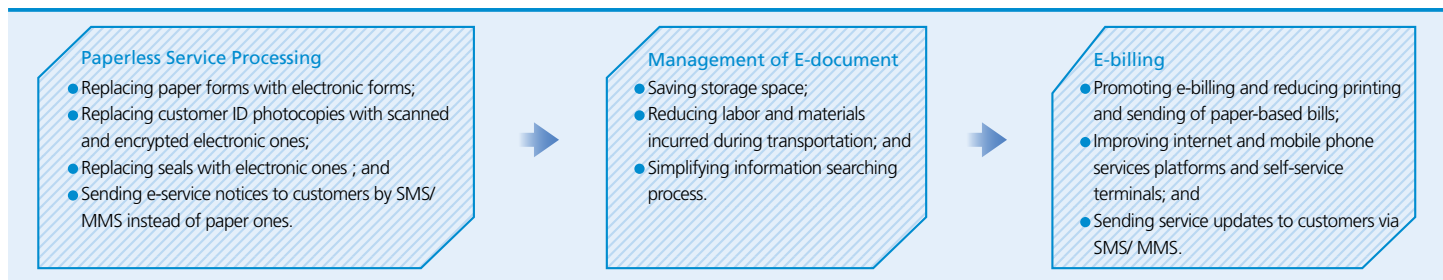


In Tianjin, we innovated on adding infrared cameras into our video surveillance system. The infrared cameras can automatically adjust to black-and-white mode at night when lighting is switched off, allowing continuous surveillance in darkness. This upgrade was able to reduce lighting electricity consumption by around 75% at the equipment rooms.

Green Service

In addition to enhancing operational efficiency and improving customers' perception, electronic services can also effectively reduce physical resources and result in lower environmental impact. In 2011, we made significant progress of energy saving in business operation by adopting paperless business process and e-billing and the business conducted through electronic channels has reached 76%.

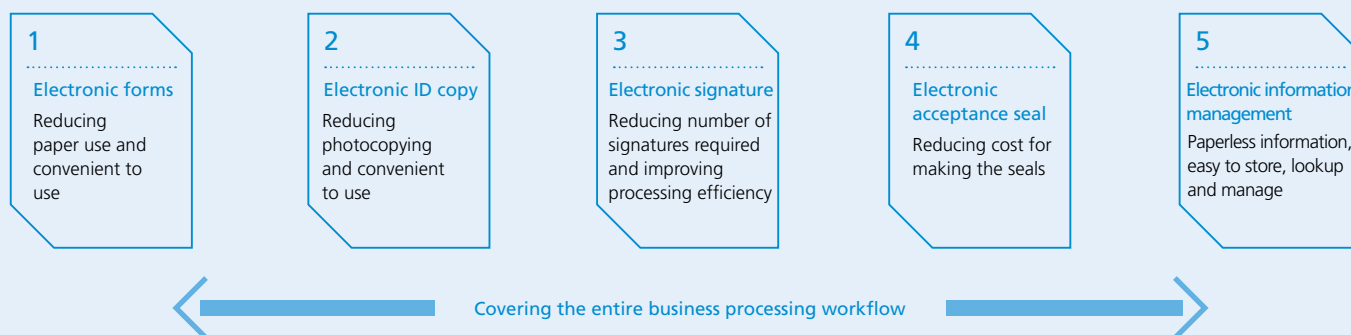
China Mobile Green Service Measures



Paperless Service Processing

Currently, mobile business acceptance receipts and invoices are still processed in a paper-based way and both our customers and we need to keep a set of copies of various relevant paper forms and invoices. This practice not only uses a significant amount of paper, but also makes its storage and searching a difficult task. By adopting paperless service processing, we can reduce paper use, simplify work procedure and improve services efficiency.

In Shanxi, we fully transformed into paperless services on the condition of ensuring data accuracy and data security. We actively promoted the use of electronic forms, electronic ID copies, electronic signatures, electronic acceptance seals and electronic information management. By the end of 2011, the transformation into paperless services has been completed in 7,300 service desks of all of the 11 cities in the entire province. About 2.85 million business requests were handled paperless, accounting for approximately 60% of the total service volume. Each set of paper forms used to cost 0.09 yuan, therefore a total cost saving of 2.139 million yuan could be realized from cutting the printing related costs. Besides reducing paper use, paperless service has significantly improved work efficiency and customers' experience. More than 92% of customers interviewed agreed that paperless service made our service processing more convenient.



Green Office

In 2011, we continued to take measures to promote our green office initiative:

- **Upgraded office buildings:** We upgraded our headquarters building with intelligent control system, which turns off lights in conference rooms and offices automatically when there is no one there. Some of our provincial subsidiaries also implemented similar projects to reduce energy consumption.
- **Energy saving of office equipment:** We required every unit to minimize the stand-by time of office equipment, such as computers, printers and copy machines and turn them off in time if they are not in use for a long period of time or after office hour. We also urged our employees to develop the habit of shutting off lights, computers, power and water when they leave.
- **Office informatization:** We reduced resource and energy consumption by applying information technology in our office work. In 2011, in average, there were over 22,000 person-times logged on to our IP Multi-media Sub-system (IMS) daily and the system was used to make 52,000 calls with a total of 434,000 minutes and send 72,000 instant messages daily.
- **Reduced consumption of office supplies:** We asked our employees to make effective use of electronic documents transmission system to send, receive and process documents, control the number of printing and copying, try to review and modify draft documents electronically and reduce the number of final proofs. We also required every unit to print on double sides and reuse one-side printed paper. We also tightened our control over purchase of office supplies such as pencils, pens and recycled paper.
- **Fostered a green office culture:** We put up posters and flyers about energy conservation and relevant tips in the office to remind everyone to save paper and water and turn off lights when they leave.



In Hubei, customers signed up for service contracts on a handwriting screen

Promoting Green Building

The construction of China Mobile International Information Port follows the principles of utility, economical, appealing and environmentally friendly. In the first two phases, a number of energy saving systems have been adopted, including equipment room excess heat recovering, natural air-cycling, roof-top greening, coldness storage with ice and waste vacuum recycling. In addition, the building realized intelligent control of equipment with technologies, such as intelligent control, network-based control and digital lighting control; reduced carbon emissions by using renewable energy sources, such as underground heat pump and solar power system; and reduced water use by installing ecological lake water cycling system, rainwater collecting system and reclaimed water recycling system, which allow the landscape lake to be replenished 100% by recycled water.

In addition, China Mobile Telecommunications Management Academy implemented a geothermal utilization and reinjection project, which extracts 223,000 cubic meters of underground heat water annually and the amount of heat utilized is equal to the reduction of 1,023 tonnes of standard coal every year.

Enhancing Resource Utilization

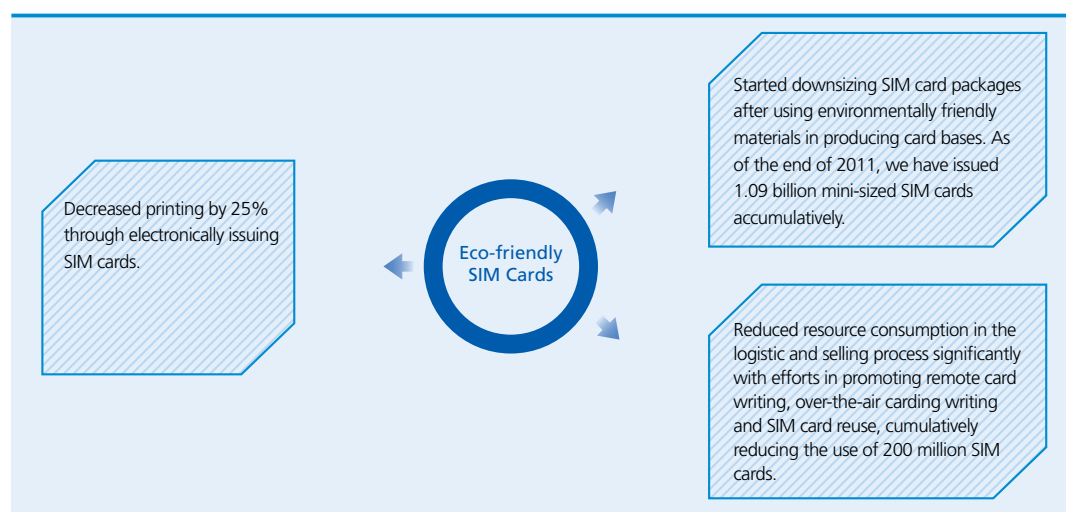
In 2011, we continued to promote resource conservation and reduce environmental impacts through adopting mini-sized SIM cards, recycling electronic waste and other activities.

Promoting Environmentally Friendly SIM Cards

In 2008, after launching SIM card solutions for energy conservation and emissions reduction, we intensified our efforts in promoting environment friendly mini-sized SIM cards. As of the end of 2011, the market share of mini-sized SIM Cards had reached 50%, and we had issued 1.09 billion mini-sized SIM cards accumulatively.

As of the end of 2011, our efforts have cumulatively helped avoid 6,000 tonnes of white pollution, reduce 18,000 tonnes of production material usage and reduce carbon emissions by 65 tonnes. These results are equivalent to the results of avoiding using 1.3 billion plastic bags.

2011 China Mobile Eco-friendly SIM Cards



Electronic Waste Recycling

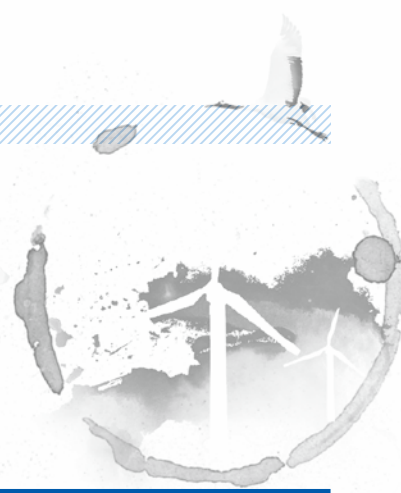
We have been strengthening our efforts in recycle of used batteries. In 2011, we had a total of 95.88 million ampere hours of batteries recycled by specialized channels. Meanwhile, we continued to carry out Green Boxes in Community Campaign, encouraging our provincial subsidiaries to take united actions and carry out community visits to recycle unwanted mobile phones and batteries as well as promote the development of a green culture.

In Guangdong, we continued to expand the coverage of the Green Boxes Environmental Protection Program. As of the end of 2011, there were 1,277 self-owned service halls above county-level that had set up Green Boxes, reaching a coverage range of 100%. A total of 62,427 pieces of unwanted mobile phones, batteries and other accessories had been collected. In addition, we continued to improve the process of dealing with used batteries in terms of their collection and handling. As of the end of 2011, we had disposed and recycled a total of 191,870 pieces of batteries in the entire province. Regarding SIM recycling, we started recycling and reusing SIM cards in bulk. As of the end of 2011, we had recycled 85,000 SIM cards in the entire province, among which 52,000 were reused.

In Tianjin, we took the opportunity of the 42nd Earth Day to call on the community to participate in the recycling of unwanted mobile phones, batteries and accessories. In this campaign, over 200 of our service halls set up Green Boxes to collect unwanted mobile phones and batteries. We also provided 10,000 gifts to local residents who participated in the event.

Promoting Environmental Applications

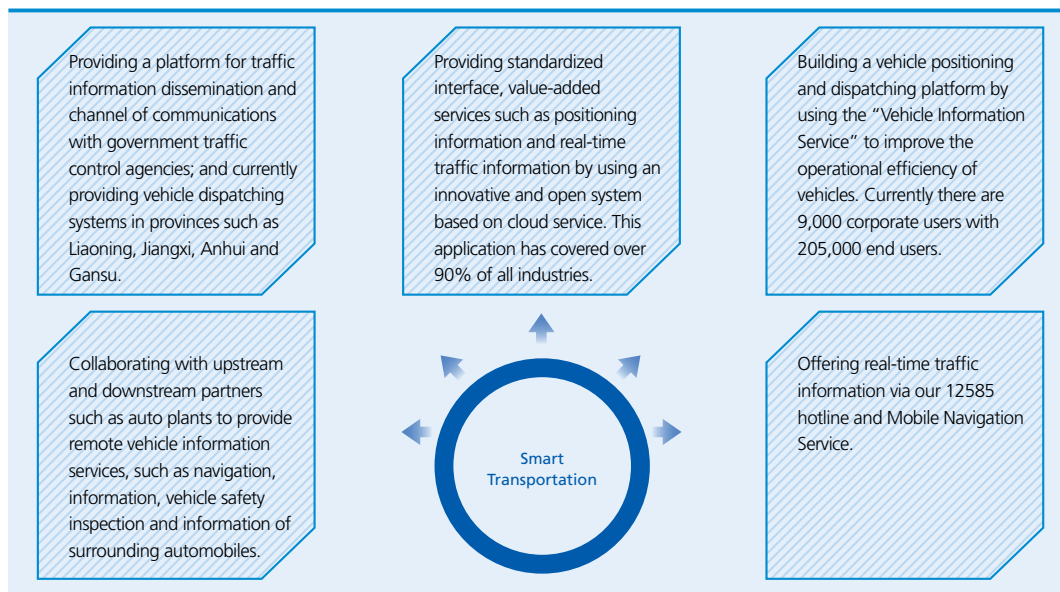
With the rapid development of industrialization and urbanization in China, energy conservation and emissions reduction has become a common challenge faced by the society. In 2011, we actively innovated on and promoted environmental applications, fully used location-based services and the “Internet of Things” applications and provided ICT solutions for certain relevant industries in terms of vehicle dispatching, logistics management and pollution monitoring, producing good environmental benefits.



Smart Transportation and Logistics

In 2011, leveraging on our location-based services we played an active role in promoting the structural adjustment and change of development mode of the transportation industry.

Facilitating Smart Transportation with Location-based Services



Vehicle Information Service

We developed the “Vehicle Information Service” to facilitate transportation, save energy and cost and improve vehicle dispatching management. We provided our corporate customers with services such as vehicle location monitoring, positioning and dispatching, helping them reduce operational and management cost through effective vehicle management and optimized resource allocation. By the end of 2011, the “Vehicle Information Service” had provided vehicles monitoring and dispatching services to 205,000 end users of our 9,000 corporate customers.

In Guangxi, we installed “Vehicle Information Service” devices on all emergency response vehicles of the Nanning Power Supply Bureau, providing functions including vehicle positioning, fuel consumption monitoring, location tracking and route replay. With this service, users could find out the location of vehicles and dispatch them in real-time, and optimize their resource allocation to reduce fuel usage.

The “Vehicle Information Service” helps our company reduce cost and helps drivers shorten their trips. With its statistical function, I do not need to check the mileage or do meter readings of each vehicle. Instead, the system generates statistical data automatically and saves a great deal of efforts for me.

Mr. Zhou,
Dispatcher of Guangxi
Nanning Power Supply
Bureau's vehicle fleet



In Shanxi, a citizen was experiencing the “Wireless City” traffic monitoring application

Public Transportation Information Service

With technologies such as mobile positioning, the public transportation information application enables people to check the real-time information of the public transportation through their mobile phones and set alarm for its arrival, which transforms the way people take public transportation from waiting passively to being informed in advance, thereby facilitating travelling, saving waiting time and improving the usage and efficiency of the public transportation system. The system is currently used by over 1.6 million times each month in Xiamen alone.

Parking Lot Availability Information Service

The Parking Lot Availability Information Service helps users plan their routes and helps alleviate traffic congestions. In Beijing, our customers can visit the Citizen's Homepage through mobile phones to check the total number of parking spaces and the number of parking lots available real-time of more than 200 parking areas.

Mobile Navigation

Our Mobile Navigation Service combines navigation services and location-based services. In addition to those basic navigation functions, it offers more location-based services such as traffic information, questions and answers and tourist information services to provide users with a faster, more accurate and comprehensive location-based services. In March 2011, Mobile Navigation was launched commercially across China and so far it has developed nearly 20 million users. Furthermore, it is one of the navigation tools with the most client-end applications, totaling over 1,000.

In Anhui, through combining multiple means such as on-site checking and network collection, 12580 services have been continuously enriching information of merchants and bus stations, constructing map information database of every city and providing guiding services for the public such as merchants positioning queries, surrounding information inquiries, information on bus transfers, routes and stations queries, as well as driving guidance. The query results can even be sent to the user's mobile phone in the form of MMS map. So far, this service has covered 8 cities with over 60,000 times of guiding services per month on average.



In Fujian, customers were able to trace locations of their vehicles with the "Vehicles Guardian" service

Environment Monitoring and Management

In 2011, we actively developed environmental protection applications, established environment monitoring and management system and provided effective ways for protecting water resources and ecological environment, as well as improving environmental protection efficiency.

In Zhejiang, working together with the provincial Department of Environmental Protection and other departments, we carried out a project to develop an automatic monitoring system to monitor the sources of drinking water in the province. Upon completion, the system could monitor the water quality of centralized sources of drinking water at above the county level within the province and send warnings automatically, ensuring the safety and quality of the centralized sources of drinking water to a considerable extent.

In Hebei, cooperating with the provincial Department of Environmental Protection, we developed a smartphone-based platform for mobile environmental law enforcement with the functions such as real-time query, on-site law enforcement assistance, verification of law enforcement and mobile office. Environmental law enforcement personnel can, through their mobile phones, conduct real-time enquiry, calculation and examination of automatic monitoring condition, operational data and construction projects of major polluters. They can also conduct on-site verification at power plants and waste disposal sites. By the end of 2011, a total of 230 mobile law enforcement terminals had been put into use.

Fostering a Harmonious Community

Philanthropy is playing an important role in supporting and improving people's lives. In the next 5 years, China is faced with arduous tasks in improving living standards, which provides significant opportunities as well as challenges to philanthropy in China. Under this circumstance, China Mobile has further improved the management of the China Mobile Charity Foundation, accomplished the formulation of the Foundation's *Three-year Development Plan (2011-2013)* and focused our philanthropic activities on education for disadvantaged groups, health-care assistance, environmental protection and disaster relief. While striving to carry out charitable activities, we actively encouraged our employees to do volunteering work and participate in philanthropic activities to promote harmonious development of the society. In 2011, we received "China Children Charity Award – Outstanding Contribution Award" and were awarded "China Charity Award" for the fourth time in a row.

In addition, we have made proactive efforts in building an extensive charity support platform based on our vast customer base and extensive service networks. We are currently collaborating with 11 foundations, including China Women's Development Foundation and China Children and Teenagers' Fund, to provide their major fund-raising public events with convenient SMS channels for small-amount donations. In 2011, a total of over 11 million yuan donations was collected.



Development Aid and Poverty Alleviation

We have long dedicated ourselves to providing development aid and poverty alleviation. In 2011, we set up a working group for target areas to facilitate the standardization, systematic development, efficient coordination and smooth implementation of our development aid and poverty alleviation work.

	Target area	Started from	Contribution during 2011-2012	Target areas and programs
Xizang	Gaize county, Ali prefecture	2002	42 million yuan	90% to be used in infrastructure construction, education and healthcare projects and grassroots level programs and the farming and pastoral areas
Heilongjiang	Tangyuan county and Huanan county	2002	10.4 million yuan	livelihood improvement programs and communication network infrastructure construction
Qinghai	Maqin county in Guoluo prefecture	2010	18.9 million yuan	education, health-care and infrastructure programs

In Ningxia, we had contributed over 3 million yuan accumulatively to support education and poverty alleviation during the last 10 years. Over 5,400 local people in Yanchi county have benefited from the program. In 2011, we included Linjiagou village in Xitan township of Xiji county in the program and contributed 400,000 yuan to support ecologically-friendly migration, drinking water, educational support, educational infrastructure and school heating programs, benefiting over 1,800 local villagers and students.



In Ningxia, we provided education assistance in Yanchi county

Supporting Education

Supporting education has always been a key charitable cause for China Mobile. In 2011, we made proactive efforts in building educational infrastructure, training educators, providing financial aid to students in need and initiating student employment and entrepreneurship programs.

Developing Educational Infrastructure

We kept helping improve the educational infrastructure in poverty areas in central and western China by building "China Mobile Libraries" and multimedia classrooms. Since 2006, we have already built 1,510 "China Mobile Libraries" and 500 multimedia classrooms accumulatively.

Training for Educators

We actively carried out the "China Mobile Training Program for Primary and Middle Schools Principals" to improve the capability of educators in central and western areas and help mitigate the disparity in educational resources.

In 2011, we arranged the "Shadow Training" for more than 1,000 primary and middle schools principals from 12 western provinces. We also provided online training for 10,000 principals from 23 central and western provinces. Since 2006, we have already trained over 36,600 primary and middle schools principals from rural areas.

Helping Students with Financial Hardship

We committed ourselves to promoting equal education opportunities and helped students with financial hardship gain educational opportunities and complete their studies through scholarships and work-study programs.

In Shaanxi, we have carried out the "Care 100" program for 6 consecutive years together with the Communist Youth League Provincial Committee and the provincial Department of Education. We have donated a total of over 10 million yuan, sponsored 3,016 university students, provided 9,000 university students with intern opportunities at our "M-zone" stores and gave out 22 million yuan as scholarships and financial aids. In 2011, we donated 2.2 million yuan to sponsor 516 new university freshmen students with financial difficulties, with each student receiving over 4,000 yuan.

In Liaoning, working together with the provincial government and the Communist of Youth League provincial Committee, we continued our "Care Education" program: launched "Hear the Heart" program and helped 500 children left in poverty realize their dreams; carried out "Love Playground" activity, donated sports equipment to 30 financially difficult primary school and helped improve situation of serious shortage of sports equipment in rural schools; launched "Entrepreneurial Lesson" program, invited experienced entrepreneurs from well-known companies to provide entrepreneurial lessons and assistance to students from over 50 universities in the province and provided 1,000 internship positions for students; we also launched employee donation for poor students and financed 94 students from rural areas to complete their study.

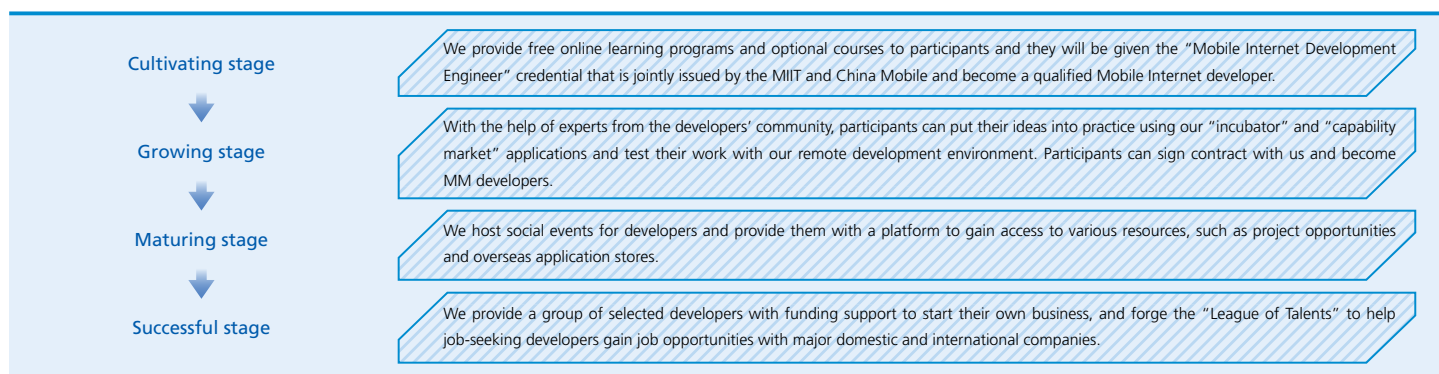
Providing Employment and Entrepreneurship Support

We actively provided university students with employment and entrepreneurial opportunities and helped them ease the employment pressure.

In late May 2011, we launched the second phase of the Mobile Market Million Youth Entrepreneurship Action ("MM Entrepreneurship Action") and forged a value chain of "value discovering – value matching – value realization". By the end of 2011, MM Entrepreneurship Action had cumulatively attracted 1.51 million young people to join, received a total of 900,000 proposals, conducted more than 700 trainings and established over 70 campus-based development bases. Many young participants have gained continuous support in developing their capabilities with the focused support of this program.



"Shadow Training" is also called "Experience Training" or "Following Training". "Shadow Training" pairs the participants with their trainers, experienced principals and provides the participants with the opportunity to observe how their trainer manages the school and gain in-depth understanding of the principles, ideas, systems and management approaches of their trainer and the school in which they are trained in reality.



Caring for Disadvantaged Groups

A fair and just development of society needs the joint efforts of individuals and organizations from the society. We adhere to promoting and achieving inclusive growth by applying our own resources and technologies to help those disadvantaged groups and share with them the development results.

China Mobile “Heart” Caring Campaign

On 30 August 2011, China Mobile Charity Foundation, Neimenggu Autonomous Region Civil Affairs Department, Teda International Cardiovascular Hospital and Neimenggu Charity Federation jointly launched the China Mobile “Heart” Caring Campaign – a plan to provide assistance to children with congenital heart disease that live in poverty. China Mobile Charity Foundation contributed 11 million yuan to fully finance the surgery and purchase two vehicles equipped with mobile medical system to conduct screening of congenital heart disease. The campaign aims to help 350 to 400 children with congenital heart conditions within 2 years. By the end of 2011, our mobile diagnosis vehicles had provided screening to 2,991 children and a total of 202 children received surgeries funded by us. This campaign has created a new model for public charity by integrating mobile diagnosis with mobile medical, integrating subsidized surgery with subsidized rehabilitation and integrating aid program with volunteering service.

Little Ding is a 5 year-old child from Bayan town near Hohhot in Neimenggu. She was diagnosed with a congenital heart problem when she was 3 years old. Ding’s parents were farmers and their income merely cover their living expenses and it would take them at least another 5 to 6 years to have enough savings for the surgery. On 30 August 2011, our mobile diagnose vehicle gave Ding a thorough examination near her home and she was diagnosed with a congenital ventricular septal defect. On 17 September, Little Ding received a successful surgery and returned home on 28 September.



Mobile medical vehicles are equipped with advanced inspection equipment for congenital heart disease



Little Ding recovered after the surgery



Our volunteer bonded with a child from the caring campaign

We continued to work on the “Warm China 12.1 Charity Fund – China Mobile Care Action” program that focuses on children orphaned by AIDS. Since the program was launched in 2008, we have sponsored a total of 15,749 children who were orphaned and affected by AIDS.

At the same time, we also actively carried out activities caring for the disabled, the elderly, as well as children of migrant workers who were left behind in rural areas.

In Anhui, we contributed 500,000 yuan and launched the “Community Care” program in collaboration with Anhui Social Work Association and other non-governmental organizations. This program provided home-visits, caring, health caring, nursing and other services to the elderly with special needs including single, living alone or in extreme poverty, being seriously sick or handicapped. We developed a number of information platforms such as the platforms for caring information, services information and assistance information to take care and help elderly people. As of the end of 2011, the program had covered 30 community service units in 7 local communities and served nearly 4,000 elderly people with special needs.

In Ningxia, cooperating with the local Communist Youth League and Young Pioneers organizations and the local Department of Sports, we launched the “Communist Youth League Voluntary Service Action: Care for Children of Migrant Workers” and set up “Support Groups for Children of Migrant Workers” to help these children. The groups encouraged our employees to participate by donating money and goods. Our employees used their spare time to tutor, accompany and educate these children and made donations to help them grow up healthily.

By 2011, Warm China 12.1 – China Mobile Caring Action program has cumulatively supported



15,749

children orphaned by AIDS or living in extreme poverty

Encouraging Volunteerism

We actively encourage our employees and the public to take part in volunteering activities, help disadvantaged groups and make joint efforts to promote the development of charitable causes. As of the end of 2011, cumulatively, the number of our employee volunteers reached over 90,000, providing over 10 million hours of voluntary services.

In Anhui, we continued to carry out the “China Mobile Blue Dream Educational Charity Plan – Care for Children of Migrant Workers Left in Rural Areas”. We built 20 primary schools for children left behind in rural areas and organized more than 700 volunteers to carry out various activities to support education and to help the schools and students handle difficulties.

In Henan, we launched the “CSR Assembly Initiative” and developed a “Love Relay” platform to encourage volunteers to actively participate in charitable programs, such as “pair-up” educational assistance, small-amount donation for the “Love Relay Fund”, providing “Love Relay” volunteering services, acting as “proxy parents”, sending charitable SMS messages. Over 1,600 of our employees and volunteers actively participated in our initiative.

In Guangxi, in collaboration with Liuzhou Charity Society and other organizations, we launched the “Pass on Love with Mobile” program in September 2010, focusing on supporting elderly citizens and children of migrant workers. As of the end of 2011, 300 volunteers had received training on volunteering and over 600 volunteers had participated in the events we organized of which 12 were large-scale events and 20 were small-scale ones. The program directly helped over 500 people and over 1,000 people benefited from the program indirectly.

In order to help enhance the organizational efficiency and the social impact of our philanthropic activities, we made efforts to build volunteer management information platforms.

In Shandong, we initiated the establishment of the “Love Rizhao” urban volunteer club in Rizhao city. The club engaged itself with a variety of philanthropic activities, such as community service, environmental protection, health care, education support, poverty alleviation, public safety, tourist service, disaster relief and published magazines, newspaper and manuals to promote volunteerism. To date, over 8,000 volunteers have registered at the club with a variety of professions such as students, teachers, government employees, entrepreneurs, company employees and retirees.

As of 31 December 2011,
cumulatively



over **90,000**

China Mobile employee
volunteers



over **10** million

hours of volunteering
work provided



In Hebei, our volunteers engaged in
community services

Supporting Volunteerism with Information Platform

In Jiangsu, in order to address the challenges volunteering groups face, such as loose management, inefficient coordination and information asymmetry, we conducted thorough analysis of the information needs of the volunteer groups, their individual members and those they intend to help and developed a “Volunteering Service Platform”. The platform facilitates information flow and enables quick responses once there is a call for help in the community.

- Allowing volunteer groups to publish information on large-scale public events and regular activities, facilitate the communication between volunteers and those who are helped, showcase outstanding volunteering activities through multiple channel including the Internet, Fetion, SMS, MMS and voice.
- Providing volunteers with convenient self-service functions, such as registering, modifying information, looking-up activity information and total service hours either by login online or via mobile phone connection.
- Improving the efficiency of volunteer groups by allowing them to centralize management and efficiently match demand and supply side information of volunteering services.



In Shaanxi, we organized blood drive among our employees



In Guangxi, employee volunteers helped with spreading rice seedlings during the drought

Employee Caring and Development

As the most active factor of productivity, employees' development plays a vital role in the future development of a company. We positively innovate on human resource management, protect employee rights, care for their physical and mental health and provide an enabling platform on which they can display their talents.

Supporting Employee Career Development

We attach great importance to maintaining harmonious labor relations, protecting employees' rights, encouraging employees' development and promoting the mutual development of our employees and the Company.

Protecting Employees' rights

We strictly abide by the *Labor Contract Law*, adhere to the principles of gender equality and equal pay for equal work and strive to build a harmonious corporate culture. We have built a fair, just, efficient and flexible labor mechanism to improve the efficiency of human resource management and enhance the sustainability of our business.

In 2011, we formulated the *China Mobile Labor Management Measures (Provisional)*, which covers employee categories, quantity management and cost management. This policy represents our transition from identity-based management to position-based management. We continued to promote the integration of management in the aspects of position, performance, remuneration and capability management of our employees, so as to construct a fair, just, harmonious and efficient employment environment.

In Beijing, we updated our employee communication platform "Team Blog" by introducing the social network service (SNS) concept into the Company's community network – the first "Happy Work Network" in China. The network provides a new channel for our employees to communicate among themselves and with the management chain of commands, as well as raise complaints or give feedback.

Innovating on Employee Development Mechanism

In 2011, we improved a series of employee management and development systems, such as formulating the *Management Measures for Exchange Program for Headquarters Employees* that encourages employees at our headquarters to enrich their management experiences at grassroots positions. We took several measures to achieve better integration of employee training and career development, including initiating the development of a position qualification system, organizing employee trainings according to position qualification requirements, exploring ways to establish an employee position certification system and kicking-off position certification work for certain job categories.

We modified the evaluation on innovation and scoring system for technical talents. We will establish a certification and development mechanism for technical experts to promote the integration of the contribution of technical innovation and employees' performance and career development path, so as to motivate employees to innovate proactively and create an encouraging atmosphere for technical innovation.

In Gansu, we signed cooperating agreements with Lanzhou Jiaotong University and Nanjing University of Posts and Telecommunications respectively to jointly launch a continuing education program for masters of engineering in the field of electronic and communication engineering. A total of 78 employees were selected from Gansu Province to participate in the continuing education program to improve their learning and working capabilities.

In Shandong, we implemented the "New Employee Integrating Plan" and adopted different approaches at different stages, such as employee need analysis, new employee orientation, "one-to-one" mentoring and special cares, to help our employees grow and shorten the process before they are fully integrated with the Company.

In Chongqing, we built "Palm School" based on mobile terminals, provided 12 columns with over 300 lessons. Employees could study on their own any content whenever and wherever according to their own demand and interest, which enhanced their ability of self-study.



In 2011, China Mobile had delivered



975,000

person-times of trainings in total



57.4

hours of training per person on average



In Ningxia, new employees were showing their talent during the "Young Eagle" training program



In Shanxi, we organized trainings to help grassroots level managers grow

Caring for Employees

"Healthy, happy and efficient" employees represent our core competence in our pursuit of sustainable development. Helping our employees to achieve work-life balance is an important aspect in fulfilling our responsibility towards employees.

Caring for Employees' Health

We pay close attention to employees' health and provide them with physical examination on a regular basis and comprehensively promote the Employee Assistance Programs (EAP) service. In 2011, EAP service has covered all of the 31 provincial subsidiaries of the Group.

In Guangdong, we held the "Care 100" expert consultation service event, inviting specialized doctors of Guangzhou Healthcare Institute to provide in-depth consultation to our female employees and give them health care suggestions that were customized to their individual needs. The event was very popular and 30 people registered on the first day. The expert consultation event was held once a month by inviting experts to our company, enabling our employees to enjoy the professional and convenient service of medical consultation.

EAP Service Pyramid

In Shaanxi, based on the concept of "Deepening Employee Care" and the topics of our EAP program, "Spirit and Care", we constructed a pyramid-shaped EAP service system. The system consists of:

- **Basic Service Tier:** At this tier, we provide regular services that serve all employees. With support from the experts in psychology, the programs serve our employees continuously. We also use our website to promote mental health concepts in a regular and multi-dimensional way;
- **Elite Training Tier:** We establish an internal service support network as the core force to ensure the implementation of the project. 30 EAP experts and 303 "Happy Dandelion" members have worked with external experts to ensure the implementation of the program in a professional way; and
- **Specialized Service Tier:** This is a specialized service focusing on providing specialized service to core groups of people. Specialized services for the management have made them the core of EAP projects, while the support and service personnel are also the major targets focused by the psychological help and care.

Employee Caring

We care for our employees in every detail by putting ourselves into the shoes of our employees to provide caring services and formulate a harmonious and friendly working atmosphere.

In Sichuan, we provided pregnant employees with special seats in all dining rooms.

In Hunan, we allocated a dedicated office for pregnant employees, named "Office of Happy Mother-to-Bes", to help them minimize the exposure to decoration pollution during their pregnancy period.

In Shandong, we arranged pregnant employees and nursing mothers to a special "Careful Mother Audit Team" and gave them less heavy work, such as binding forms, checking for mistakes and providing supporting services to front desk employees.

In Beijing, we held the "Family Open Day and Dragon Festival Gala" event and built an interactive communication platform with programs such as "Heart-to-Heart Connect" and "Chitchats" between the Company and our employees and their family members, contributing to fostering the sense of belonging of our employees.



In Beijing, we organized exercising activities for our employees



In Shandong, we held employee parent-child contest



In Xinjiang, we gave pregnant employees radiation-shielding aprons

Leading Industry Growth

While the development of ICT has brought broad applications and development opportunities, it has also brought great challenges to traditional telecommunications industries. We actively promote the innovative development of TD industry, build a responsible supply chain and improve the green standard of the industry.



Promoting TD Development

In order to support the rapid development of China's economy and in anticipation of the future needs, we fully leverage on our role in leading industry innovation and make great efforts to promote the maturity of TD technology and its evolved technology. We strive to make TD-LTE become a mainstream broadband technology globally, so as to effectively lead the strong development of the TD industry chain.

Expanding TD Network Coverage

In 2011, we focused on "continuously improving TD network quality and coverage" and further promoted the "Double 100%" (100% TD deployment among indoor distributive systems with demand for data business, and 100% coverage of TD network over GSM network at outdoor data business hot spots areas). We centralized our resources to further improve the in-depth coverage of TD network in main urban areas. We have basically achieved continuous coverage in prefecture-level cities, county-level cities and the main areas of counties in China, with an 80% coverage rate of urban areas.

Encouraging TD-LTE Innovation

In order to ensure the sustainable development of TD technology with independent intellectual property rights of China, we focus on the overall strategy of promoting development of TD-LTE and LTE FDD technologies at the same time as well as their development on the global stage and promote the extensive adoption of TD-LTE technology globally.

- **Industrialization:** We organized and conducted scaled-up TD-LTE tests. We serve the development of our industry with these tests and the question banks and industry suggestions help the products to develop and the industry become mature, thereby creating an industrial environment that involves both domestic and overseas companies and with preliminary end-to-end commercial capacity. The first phase test result shows that the TD-LTE end-to-end industry covering system, chipsets and terminals is basically mature and available for use. It nearly reaches the initial level of LTE FDD being deployed for commercial use, which marks an important milestone that symbolizes the maturing of the TD-LTE industry;
- **Technological Innovation:** While we are continuously improving new technologies and standards to maintain our competitive advantage in TD-LTE technology, we also focused on demand and developed a number of technological application plans that meet the technological and industrial requirements of its operation; and
- **Globalization:** We initiated technological and industrial cooperation with international operators and manufacturing companies. We promoted the establishment of "Global TD-LTE Initiative" (GTI), which had attracted 40 global operators as members. This collaboration effort establishes an international platform to accelerate the development of the industry and promote the commercial deployment of TD-LTE.

In 2011, we completed the Phase I task of large-scale construction of TD-LTE trial network in Shanghai, Nanjing, Hangzhou, Xiamen, Guangzhou and Shenzhen, which contributed to the smooth implementation of the national major TD-LTE experiment of the "New Generation of Broadband Wireless Mobile Communications Network" in China. Aiming at developing TD-LTE and LTE FDD at the same time, we have taken a number of proactive measures to prepare for the commercialization of TD-LTE in terms of equipment performance, network technology and terminals.

In 2011, the first TD-LTE/TD-SCDMA/GSM 4G multi-mode and dual SIM-card smart phone developed by a coalition of China Mobile and our industry partners was unveiled at the 2011 Universiade in Shenzhen. The phone demonstrated a variety of business applications such as voice call, high-speed mobile Internet and on-line video, signaling the gradual maturing of the TD-LTE industry.

By now, the commercial use of TD-LTE has kicked-off all over the world. 5 major operators have launched commercial services and over 10 other operators have specified their commercial plans. 2011 has become the first year of TD-LTE's global commercialization.



In Anhui, customers were attracted by the rich variety of TD services

Building a Responsible Supply Chain

China Mobile understands that its impact on the industry also means the great responsibility it has. As such, we have implemented rigorous management on our suppliers and conducted comprehensive evaluation on our suppliers' overall capability to help them improve their quality management, gradually leading and building a responsible supply chain.

Enhancing Supply Chain Management

Guided by the principles of "Centralization, Standardization and Informationalization", we strive to develop a low-cost and highly efficient supply chain system that meets the requirements of "lowest total cost, most efficient, good quality and compliance".

Adhering to *China Mobile Communications Corporation Regulation on Supervision of Bidding and Procurement Project (Provisional)*, we specify ways for suppliers to whistle-blow in all our centralized bidding and procurement.

In order to build a responsible supply chain, in 2011, we required suppliers to provide verified certification documents such as ISO 14000 and SA 18000 in the qualification review of the bidding process. The certification documents will be audited for their authenticity.

In Guangdong, we signed the *Initiative of Building an Honest and Outstanding Mobile Information Supply Chain* together with around 100 of our partners with the aim of building a mobile information supply chain that features "quality first and win-win cooperation". By signing the initiative, we commit ourselves to working together with our partners to improve our management and realize a win-win situation and our mutual growth. Our cooperation focuses on 3 areas: the development of the next generation information technology, the development of information applications based on the "Wireless City" platform and the implementation of social responsibilities.

Strengthening SP Management

Adhering to the service concept of "Customers are our priority, quality service is our principle", we strictly followed the *Monitoring and Management Mechanisms of Mobile Internet Malwares*, which is the first regulation on Mobile Internet security management issued by the MIIT. We focused on improving our management system and enhancing our support mechanism to strengthen service providers (SP) management and protect the interests of customers.

Regarding our management system, we issued an updated *Management Measures on Monternet Credits*, which intensified the punishment for SP violations, in order to ensure the healthy development of Monternet businesses. We use a credit mechanism to manage our SPs, in which we specified penalties for different kind of violations of customers' interests. We strictly implement a system keeping track of SPs with bad credit history, and terminate cooperation with SPs with severe violations within 2 years.

In Shaanxi, we launched an industry self-regulation initiative of committing to "honest services and harmonious consumption" and circulated it among over 120 local SPs. We urged all SPs to commit to abiding by state's laws and regulations, actively working with government regulators and firmly maintaining a green environment for information services.



In Xinjiang, we strictly abide by environmental regulations regarding base stations in natural reserves

Promoting Green Development of the Industry

We not only attach great importance to energy conservation and emissions reduction in our own operations, but also actively explore “Green Cooperation” with our industrial chain partners, jointly promoting and practicing “Green Standards” of the telecommunications industry.

Innovating on “Green Cooperation”

We actively cooperated with different parties to promote various green solutions and business collaborations:

- Promoting “Green Packaging”: We worked together with 8 equipment manufacturers to participate in the pilot program of “Reducing Wood Usage in Mechanical and Electrical Product Packaging” launched by the MIIT in order to promote “Green Packaging” for telecommunications equipment. We jointly committed to reducing our wood usage by at least 37,000 cubic meters annually in 2011 and 2012. In 2011, we have reached a 69% application rate of green packaging and realized a timber saving of 44,000 cubic meters, exceeding our reduction goal. We also actively explored ways to cooperate with third-party pallet rental suppliers to shorten the recycle cycle of green packaging. We had already conducted pilot work in Guangdong in cooperation with Huawei Technologies Co., Ltd.;
- “Innovation Day” open house event: We worked together with France Telecom and hosted the first “Innovation Day” open house event in China’s telecommunications industry. The event targeted developers of mobile phone applications and provided them with the opportunities to see the most advanced trends in innovation and stimulate their creativity with a number of innovative ways, including on-site showcase of new products and new concepts and the opportunity to exchange ideas with other developers; and
- Engaging in cooperation: As a founding-member of “Green Touch”, we deepened our exchange with internationally renowned academic institutions, such as the AT&T Bell Laboratories, equipment manufacturers and other operators to explore ways to tap energy saving potentials. We also worked with academic institutions such as the Renmin University of China and the National University of Singapore to promote the academic research regarding the coordinated development of energy saving and low carbon economy.

Leading “Green Standards”


We have been focusing on developing communications equipment energy conservation grading standards since 2008. Currently, we have already completed standards that cover 7 areas, including wireless network, core network, service platform, IP carrier network, optical transport network, IT support network and UPS equipment.

From 2009 to 2011, the energy conservation grading standards started being fully applied to our centralized procurement of communications equipment that covered over 600 products, so as to encourage equipment manufacturers to further increase equipment efficiency with greater input in research and development. We have achieved the goal of reducing average energy consumption and installation area by over 20% every 2 years.

In 2011, together with 7 other companies, we founded the first “Alliance of Green, Security and Integrity” for mobile applications. We also initiated 8 standards on being green, security and integrity for mobile software, including standard on healthiness and compliance, standard on low-carbon environment protection, standard on copyright protection, standard on security, standard on quality, standard on pricing, standard on the integrity of trade and standard on customer services.

In 2011, with “Green Packaging”

 **69%**
application rate was reached

 **44,000**
cubic meters of timber was saved

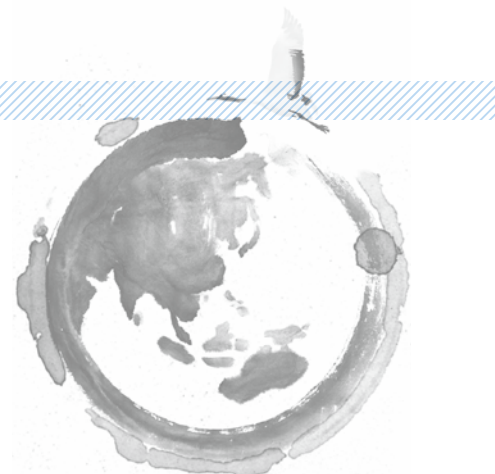
From 2009 to 2011, we made full use of the energy conservation grading standards,

 over **600**
products were covered



Pushing Forward to “Go Global”

We actively implement the “Go Global” strategy and establish professional international companies to strengthen the operational management of our overseas operations. Meanwhile, we actively participate in local community construction, adhere to social responsibility and make great efforts to realize sustainable development.



Expanding Overseas Business

In December 2010, we incorporated China Mobile International Company Limited in Hong Kong. International Company was in charge of managing our overseas operations, including the organization and marketing of our business overseas, procurement and management of international transmission resources, allocation and management of overseas business units, carrying and transmitting of international traffic and cooperating and managing international roaming services. After International Company was founded, we took a number of measures to lower international transmission cost, such as significantly cutting roaming charges in 38 countries and regions including Singapore, Germany and Canada. We also introduced daily data packages for the seven most popular overseas destinations including Hong Kong, Macao, Taiwan, South Korea, Singapore, Malaysia and Thailand. With all these efforts, we aim to provide services that “make you feel at home anywhere in the world”.

Fulfilling Local Responsibilities

During the process of “Go Global”, we attach great importance to fulfilling our responsibilities. While expanding our business, we have actively integrated into local community and made great efforts to fulfill our responsibilities.

In Hong Kong, China Mobile Hong Kong Company Limited (“Hong Kong Company”) is committed to providing considerate products and participating in social public activities and has been named “Caring Company” by the Hong Kong Council of Social Service for 9 consecutive years.

- **Optimized customer services:** In order to increase transparency, we adjusted the format of bills. We strengthened the protection of customers’ account information safety management. We offered fee discount to elderly customers and also provided free SMS service within network for hearing and speaking impaired persons, students and foreign household helpers. We set up a hotline that provides service in Bahasa Indonesia at service halls. We also offered discounted International Direct Dial (IDD) services to minority ethnic customers and facilitated their communication with home countries.
- **Green operation:** We have been actively promoting green operation. We strictly managed electromagnetic radiation and conducted over 1,380 base inspections and upgraded about 200 high electricity-consuming facilities in 2011. We commissioned a qualified recycling company to dispose the electronic wastes.
- **Employee localization:** We actively promoted localization of its employees with 99.8% of our employees being local people. We valued communication among our employees and encouraged them to maintain a healthy life-work balance, for which we had organized events to facilitate communications, such as “Happy Time” gatherings, cake making and bowling games.
- **Commitment to charity:** We actively participated in charitable activities, including the “Blood Donation Day” together with Hong Kong Red Cross Society, the “Food Bank” donation event together with the “St. James’ Settlement” and providing gifts to children at “Hong Kong Society for the Protection of Children”.



In Pakistan, CMPak actively devotes itself to serving local economic development and improving the living standards of local people. Our contribution was recognized with the President’s Award given by the Pakistani government.

- **Ensuring compliance:** We developed the *Internal Audit Policy* to strengthen internal control, improved corporate governance system and continued to improve operational transparency.
- **Enhancing network construction:** By the end of 2011, our network coverage reached 53% with the highest increase of customer counts among local operators.
- **Developing customized services:** We developed a variety of customized services to serve local cultural and religious environment, such as mobile news, regional package and special packages for pilgrimage and Ramadan. We also developed remote charging of airtime to bring convenience to customers in less developed areas.

In Hong Kong, China Mobile International Company Limited was founded

SUSTAINABILITY PERFORMANCE

By reference to the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (G3.1), we set out our key sustainability performance as follows:

Economy

Economic Values Created and Shared

We create and share economic values with stakeholders through daily business operations.

Indicators	2009	2010	2011
Operating revenue (billion yuan)	480.79	510.45*	557.80
Corporate income tax paid (billion yuan)	38.76	39.07*	41.63

*Note: The data for 2009-2011 are from audited financial report, and historical data of 2010 has been revised.

Market Performance

We abide by labor laws and regulations, and the salary level of our employees is higher than the local minimum wage.

Indirect Economic Impact

Narrowing Digital Divide

We actively participated in the Village Connected Project to provide communication and information services for rural areas and helped to narrow digital divide.

Indicators	2009	2010	2011
Cumulative number of natural villages covered via Village Connected Project	34,122	43,577*	53,842*
Cumulative number of administrative villages with broadband connection	—	—	4,031
Number of sales channels in rural areas (10,000)	56.23	58.00	69.00
Number of Rural Information Service users (10,000)	4,521	5,687	3,130**

*Note: Data of 2010 and 2011 are updated according to statistics of the MIIT.

**Note: The number of Rural Information Service users in 2011 was adjusted to refer to users subscribing to the country-level Rural Information Service.

Informationalization of National Economy

We continuously innovate on personal and industry information applications, and help improve the level of informationalization of the entire society through ICT solutions.

Indicators	2009	2010	2011
Number of Campus Information Service users (million)	32.16	44.41	52.32

Promoting Inclusive Society

On the one hand, we strive for promoting telecommunications services popularization and providing impartial and affordable information services for the whole society; on the other hand, we cooperate with relevant departments, develop applications for facilitating society management, help reduce cost of social services through ICT solutions and improve society operation efficiency.

Environment

Energy and Resources

Energy Consumption

We pay a great deal of attention to climate change, make great efforts to reduce our energy consumption and continually improve energy efficiency. In 2011, energy consumption per unit of telecommunications traffic decreased by 11% when compared to last year.

Indicators	2009	2010	2011
Total electricity consumption (GWhs)	11,140	12,440	13,470
Natural gas consumption (million cubic meters)	8.8	6.0	6.9
LPG consumption (100 tonnes)	10.5	7.5	6.7
Coal gas consumption (million cubic meters)	0.8	1.0	2.1
Coal consumption (10,000 tonnes)	5.3	5.3	2.9
Gasoline consumption (million liters)	155.6	149.1	156.5
Diesel fuel consumption (million liters)	23.5	26.1	29.0

Network Infrastructure Joint Construction and Sharing Rates (2011)

Indicators	Joint Construction Rate (%)	Sharing Rate (%)
Towers	63	79
Pole lines	38	91
Base stations	51	80
Transmission lines	40	92

Using Alternative Energy

Indicators	2009	2010	2011
Alternative Energy Base Stations-Total	6,372	7,795	8,970
Solar Energy	5,581	6,279	7,057
Wind Energy	72	308	435
Solar and Wind	689	1,069	1,316
Fuel Cells	30	139	162

Reducing Resources Usage

As of the end of 2011, we have cumulatively issued a total of 1.09 billion mini-sized SIM cards, preventing 6,000 tonnes white pollution, saving 18,000 tonnes production materials and reducing 65 tonnes carbon emissions, which is equivalent to reducing resources consumption and environment pollution caused by 1.3 billion plastic bags.

Indicators	2009	2010	2011
Number of mini-sized SIM cards used (10,000 pieces)	3,319	52,000	53,600
Number of SIM cards reused (10,000 pieces)	44	67	72



Green Operations

Indicators	2009	2010	2011
Percentage of businesses conducted through e-channels (%)	48	54*	76

*Note: Due to changes in indicators, adjustments have been made to historical data.

Green Office

We continuously improve the level of informationalization of our office. Through the use of Integrated Information Network, we reduce physical office resources and business travel expenses.

Indicators	2011
Number of person-times visiting the Integrated Information Network (10,000 person-times)	2.2
Average number of calls made daily (10,000 calls)	5.2
Average duration of calls per day (10,000 minutes)	43.4
Average number of instant messages sent per day (10,000 messages)	7.2

Water

We actively use reclaimed water in our operations based on the circumstances, improve our employees' awareness of water conservation and save water.

Indicators	2011
Total amount of reclaimed water used (tonnes)	1,834

Waste

Indicators	2009	2010	2011
Discarded lead acid batteries (million Ahs)	132.66	125.85	97.80
Lead acid batteries recycled through professional channels (million Ahs)	98.74	104.44	95.88
Lead acid batteries reused (million Ahs)	41.54	26.65	30.58
Cumulative number of mobile phones and accessories recycled (million)	5.31	6.74	8.51

Biodiversity

We actively protect ecological environment and strictly comply with the relevant rules when constructing base stations in ecological reserve zones to protect the biodiversity.

Indicators	2011
Number of base stations in ecological reserve zones	7,781

Reducing Carbon Emissions

Indicators	2009	2010	2011
CO ₂ e (million tonnes)	9.46*	11.12*	11.97*

*Note: According to the data for the conversion of energy published by the Chinese government, the conversion factor for carbon dioxide is as follows: 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.

Products and Services

We proactively innovate on applications of environmental protection. By the end of 2011, our Vehicle Information Service has provided vehicles/personnel monitoring and dispatching services to 205,000 end users from 9,000 corporate customers.

Transportation

We encourage using video conferences to reduce business trips. In 2011, video conferences conducted through Integrated Information Network amounted to 205,000 times.

Labor Practice and Decent Work

Promoting Employment and Entrepreneurship

Our development contributed to the generation of over 2.5 million job opportunities. In August 2010, we launched Mobile Market Million Youth Entrepreneurship Project. By the end of 2011, the project involved 1.51 million young developers, held more than 700 training events for developer and established over 70 campus-based development bases.

Indicators	2009	2010	2011
Total number of employees (persons)	230,902	210,068	218,253

Protecting Employee Rights

We strictly comply with labor laws and regulations, sign labor contract with each employee and pay social insurance for employees in full in accordance with laws.

Education and Training

Indicators	2009	2010	2011
Number of persons trained (10,000 person-times)	92.1	89.8	97.5
Number of senior management trained (person-times)	330	239	421
Number of mid-level management trained (person-times)	8,421	8,195	8,901
Number of ordinary employees trained (10,000 person-times)	91.2	88.9	96.6
Percentage of employees attending diploma courses (%)	5.38	5.16	5.32
Average training time per employee (hours)	56.7	59.0	57.4

Diversity and Equal Opportunities

Employee Gender Composition

Indicators	2009	2010	2011
Percentage of female employees (%)	42.24	40.36	40.53
Percentage of female employees at the senior management level* (%)	13.88	14.53	17.43

*Note: Senior management refers to anyone at vice president level or above at provincial subsidiaries and anyone at general manager level or above at headquarters.

Ethnic Proportion

Indicators	2009	2010	2011
Ethnic minorities as a percentage of total employees (%)	6.10	6.01	6.56

Human Rights

We support and respect internationally recognized human rights.

Society

Community

We urge and initiate employees to participate in volunteer services. The number of employee-volunteer has accumulated to over 90,000, and the hours of volunteer services exceeded 10 million cumulatively.

Emergency Support

Indicators	2009	2010	2011
Total number of emergency support (times)	5,004	5,413	4,671
Major political or economic events support (times)	4,496	4,744	4,028
Significant natural disasters support (times)	253	437	223
Large-scale accidents or catastrophic events support (times)	62	75	224
Public health incidents support (times)	120	91	48
Public safety incidents support (times)	73	66	148
Emergency support vehicles deployed (times)	13,812	21,324	9,636
Emergency support systems installed (times)	59,073	124,268	43,527
Persons involved in emergency support (person-times)	204,754	354,822	320,866

Social Welfare

Indicators	2009	2010	2011
Cumulative number of children orphaned by AIDS or living in extreme poverty sponsored (persons)	9,791	12,229	15,749
Number of children in poverty who suffered from congenital heart disease assisted (persons)	—	—	202
Cumulative number of China Mobile Libraries built	1,175	1,360	1,510
Cumulative number of multimedia classrooms built	175	350	500
Cumulative number of principals of rural primary and middle schools trained (persons)	14,600	25,600	36,600

Products

Providing Diversified Services

Indicators	2009	2010	2011
Number of customers (million)	546.46	609.78	680.71
Number of countries and regions covered by GSM roaming service	237	237	237
Number of countries and regions covered by GPRS roaming service	182	186	187

Improving Network Quality

Network Quality and Reliability (2011)

Indicators	GSM Network	3G Network
Successful connection rate (%)	99.26	98.99
Call drop rate (%)	0.32	0.35

Customer Satisfaction

We strive to improve the customers' services and protect the customers' interests. The complaint rate per million customers of 2011 remains the lowest in the communications industry.

Indicators	2009	2010	2011
Complaint rate per million customers (cases)	47.0*	52.1*	40.2*

*Note: The indicator has changed, and historical data have been revised.

Consumers' Interests Protection

Indicators	2009	2010	2011
Number of reported spam messages handled (10,000 times)	1,500	684	562

LOOKING FORWARD

Sustainability Management

Construction of management system	<ul style="list-style-type: none"> To enhance the construction of indicator management and capability enhancement system. To improve management process of sustainability issues, continue to carry out international benchmarking with global peers and improve management.
Stakeholder communication and engagement	<ul style="list-style-type: none"> To increase regular discussions with our stakeholders and focus on key issues. To explore multi-party cooperation with regard to the key topics of ICT service in the society.

Sustainability Practices

 Adherence to Integrity and Compliance	<ul style="list-style-type: none"> To enhance the construction of risk management and internal control system. To increase promotion and education on compliance, strictly against corruption and commercial bribery.
 Innovative and Highly-efficient Operation	<ul style="list-style-type: none"> To further promote the development of new technologies, new models and new areas, improve operation mode and enhance operational efficiency.
 Constructing Excellent Network	<ul style="list-style-type: none"> To continuously improve daily management of emergency communications, amend color coding plan and special plan and comprehensively improve the emergency plan system. To launch nationwide EMF inspection, promote the establishment of EMF international standards for China Mobile TD base stations and speed up the setting up of EMF test standards and inspections for TD-LTE base stations.
 Striving for Customer Confidence	<ul style="list-style-type: none"> To continuously promote transparency in consumption, protect customers' interests, innovate on management of customer complaints and improve the capability of handling complaints. To ensure the security of customer information, fully promote the implementation of "Treasure Model" in the whole network and further increase customers' confidence. To intensify the control of obscene and spam messages and formulate a healthy and green network environment.
 Narrowing the Digital Divide	<ul style="list-style-type: none"> To increase the telephone connection rate of natural villages, increase mobile telecommunications network services and coverage quality in the rural areas and support the development of modernization of farmers, villages and agriculture with more agriculture-related information products and services. To further provide mobile business and caring services to the disabled, the elderly and the minority groups and allow our special information applications to benefit a wider group of people.
 Enabling a Better Life with Innovative Information Solutions	<ul style="list-style-type: none"> To explore the technology application of the "Internet of Things", promote the construction of "Wireless City", provide more extensive informationalization solutions for key industries and contribute more to improve social operation efficiency, ensure community security and promote convenience of the public's living.
 Managing Environmental Impacts	<ul style="list-style-type: none"> To continue "Green Action Plan" and improve environment management system. To effectively manage environmental impacts, build green network, enhance electronic business coverage rate and advocate green office. To increase resource usage efficiency, continue SIM cards energy saving and emission reduction and recycle electronic wastes.
 Promoting Environmental Applications	<ul style="list-style-type: none"> To promote energy saving and emission reduction through informationalization, develop smart transportation and logistics through innovation, monitor and detect environment pollution through informationalization.
 Fostering a Harmonious Community	<ul style="list-style-type: none"> To strongly support development aid and poverty alleviation, further strengthen the role of China Mobile Charity Foundation, carry out more practical volunteer activities in the areas of supporting education development and caring for disadvantaged groups.
 Employee Caring and Development	<ul style="list-style-type: none"> To care for the employees, protect employees' interests, complete employee growth mechanism, provide diversified training for employees and continue to enhance their personal capabilities. To care for employees' practical needs, help employees realize work-life balance through detailed and thoughtful measures.
 Leading Industry Growth	<ul style="list-style-type: none"> To continuously promote TD development, accelerate maturing of TD-LTE industry and explore new space for industry development. To promote industrial multi-cooperation, promote green industry standards and lead the communications industry to a healthy growth.
 Pushing Forward to "Go Global"	<ul style="list-style-type: none"> To improve international business development, commit to local operations and become a exemplary demonstration in "Go Global".

INDEXES

GRI Index (G3.1)

No.	Relevance	Page
Strategy and Analysis		
1.1	High	1
1.2	High	7
Organizational Profile		
2.1	High	4-5, 55
2.2	High	5
2.3	High	–
2.4	High	55, Back cover
2.5	High	5
2.6	High	5, 55
2.7	High	5
2.8	High	5, 49-51
2.9	High	55
2.10	High	5, 9, 39
Report Parameters		
3.1	High	55
3.2	High	55
3.3	High	55
3.4	High	56, Back cover
3.5	High	55
3.6	High	55
3.7	High	55
3.8	High	55
3.9	High	55
3.10	High	49-51
3.11	Medium	55
3.12	High	53-55
3.13	Medium	–
Corporate Governance		
4.1	High	13
4.2	High	13
4.3	High	13
4.4	High	11
4.5	High	–
4.6	High	13
4.7	High	–
4.8	High	1, 6-7
4.9	High	13
4.10	High	–
4.11	High	13-14
4.12	High	Back cover
4.13	High	5, 45, 55
4.14	High	10-11
4.15	High	7, 10-11
4.16	High	10-11
4.17	High	10-11
Economic Responsibility Indicators		
EC1	High	5, 49
EC2	High	33-38
EC3	High	43-44
EC4	Not Applicable	–
EC5	High	43
EC6	High	7, 11, 45-48
EC7	Medium	43, 48
EC8	High	22-32, 39
EC9	High	15, 22-24, 49
Social Responsibility Indicators		
LA1	High	5, 50
LA2	High	–
LA3	High	43-44
LA4	Medium	–
LA5	High	–

No.	Relevance	Page
LA6	High	–
LA7	High	–
LA8	High	44
LA9	High	–
LA10	High	43, 50
LA11	High	43, 50
LA12	High	43, 50
LA13	High	50-51
LA14	High	43
LA15	High	–
HR1	Not Applicable	–
HR2	Not Applicable	–
HR3	Not Applicable	–
HR4	High	43, 48
HR5	Not Applicable	–
HR6	High	48
HR7	High	43
HR8	Not Applicable	–
HR9	High	48
HR10	High	–
HR 11	High	–
SO1	High	10, 16, 39-42
SO2	High	14
SO3	High	14
SO4	High	14
SO5	High	22-24
SO6	Not Applicable	–
SO7	High	–
SO8	High	–
SO9	High	16, 22-24, 49, 51
SO10	High	16, 22-24, 49, 51
PR1	High	16
PR2	Low	16
PR3	Medium	19
PR4	High	–
PR5	High	18-21, 51
PR6	High	18-21
PR7	High	–
PR8	High	20
PR9	High	–
Environmental Responsibility Indicators		
EN1	Low	33-36, 49
EN2	Medium	33-36, 49-50
EN3	High	49
EN4	High	49
EN5	High	33-37, 47, 49
EN6	Low	37-38, 50
EN7	Low	33-36, 49
EN8	Medium	–
EN9	Low	–
EN10	Low	50
EN11	Low	–
EN12	High	46, 50
EN13	Low	–
EN14	Low	–
EN15	Low	–
EN16	High	50
EN17	High	50
EN18	High	33-38
EN19	Low	–
EN20	Low	–
EN21	Low	–

No.	Relevance	Page
EN22	High	36, 50
EN23	Low	–
EN24	Low	–
EN25	Low	–
EN26	High	33-38
EN27	Low	36, 47, 50
EN28	High	–
EN29	Low	50
EN30	High	33-36

GRI Telecom Index

No.	Relevance	Page
Internal Operations		
IO1	High	22
IO2	High	22-24
IO3	High	–
IO4	High	16
IO5	High	16
IO6	Not Applicable	–
IO7	High	16, 34
IO8	High	33, 49
Providing Access		
PA1	High	22-24
PA2	High	22-24
PA3	High	16, 51
PA4	High	5, 22, 51
PA5	High	22-24, 49
PA6	High	17, 51
PA7	High	10, 18-24
PA8	High	16
PA9	High	16
PA10	High	19
PA11	High	18-19, 37-38
Technology Applications		
TA1	High	37-38
TA2	High	34-38
TA3	High	25-26, 35-36
TA4	High	25-26, 35-36
TA5	High	12



The UN Global Compact's 10 Principles Index

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights (see pages 22-24, 43-44, 51); and
- Principle 2: make sure that they are not complicit in human rights abuses (see pages 22-24, 43-44, 46).

Labor Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining (see pages 43-44);
- Principle 4: the elimination of all forms of forced and compulsory labor (see pages 43-44);
- Principle 5: the effective abolition of child labor (see pages 51); and
- Principle 6: the elimination of discrimination in respect of employment and occupation (see pages 43-44, 48, 51).

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges (see pages 33-38, 47-50);
- Principle 8: undertake initiatives to promote greater environmental responsibility (see pages 33-38, 47-50); and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies (see pages 33-38, 47-50).

Anti-corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery (see pages 13-14, 46).

ISO 26000 Index

Corporate Responsibility Core Issues	Indicators	Page
Organization governance		13-14, 46
Human rights	1. Due diligence	46
	2. Human rights risk situations	-
	3. Avoidance of complicity	20, 46
	4. Resolving grievances	18, 43, 46
	5. Discrimination and vulnerable groups	22-24, 39-42
	6. Civil and political rights	43, 48
	7. Economic, social and cultural rights	22-24, 43, 48
	8. Fundamental principles and rights at work	43-44
Labor practices	1. Employment and employment relationships	43, 48
	2. Conditions of work and social protection	44
	3. Social dialogue	43
	4. Health and safety at work	44
	5. Human development and training in the workplace	43
Environment	1. Prevention of pollution	33-34, 38
	2. Sustainable resource use	36
	3. Climate change mitigation and adaptation	33-38
	4. Protection of the environment, biodiversity and restoration of natural homes	33-38
Fair operating practices	1. Anti-corruption	14, 46
	2. Responsible political involvement	-
	3. Fair competition	13, 48
	4. Promoting social responsibility in the value chain	36, 46-47
	5. Respect for property rights	46-47
Consumer issues	1. Fair marketing, factual and unbiased information and fair contractual practices	19
	2. Protecting consumers' health and safety	16-17
	3. Sustainable consumption	18-21, 25-31
	4. Consumer service, support and complaint and dispute resolution	18
	5. Consumer data protection and privacy	20
	6. Access to essential services	18-19, 22-24
	7. Education and awareness	21, 31
Community involvement and development	1. Community involvement	10-11, 39-42
	2. Education and culture	28, 31, 40
	3. Employment creation and skills development	40-41, 45
	4. Technology development and access	15
	5. Wealth and income creation	4-5, 15, 49
	6. Health	26, 41
	7. Social investment	39-41

ABOUT THIS REPORT

This is China Mobile Communications Corporation's sixth Corporate Social Responsibility Report, and it covers our activities between 1 January 2011 and 31 December 2011. This report has been published in both English and Chinese versions.

We have compiled this report according to the Ten Principles of the United Nations Global Compact and ISO 26000 Index of the International Standard Organization, and by reference to the Global Reporting Initiative's Sustainability Reporting Guidelines (G3.1) and the GRI Telecommunications Sector Supplement. We have also sought to align this report with the unique attributes of our business and industry. This report also made reference to the Guidelines for China Enterprises Corporate Social Responsibility Reporting (CASS-CSR 2.0).

Content Selection

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

- Analysis of our corporate sustainable development strategy;
- International benchmarking and internal assessment for sustainable development;
- The identification of sustainable development issues for the telecommunications industry in terms of their relevance and significance;
- Interviews with our key stakeholders; and
- Analysis of the continuity and comparability of this report against reports of peer companies and our previous reports.

In particular, the 2011 report covers the following within the GRI framework:

- Our sustainability strategy and management in 2011 (pages 6-11);
- Our sustainability practices highlights in 2011 (pages 12-48); and
- Our sustainability performance in 2011 (pages 49-51).

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 Group Terminal Company Limited and China Mobile International Company Limited.

China Mobile Basic Company Information

Company Name	China Mobile Communications Corporation
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 2011 report are collected primarily through the following:

- China Mobile's internal statistics reports;
- China Mobile e-platform for CSR management: we established a CSR management indicators system in 2008, and officially launched the e-platform for CSR management in March 2009 for collecting relevant data and case studies on a quarterly basis; and
- In 2011 we held an annual CSR practice competition: starting from 2008, we have been inviting external experts to act as judges with our internal experts to comment on CSR practices each year.

Currency

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

Unaudited Data

Unless otherwise specified, the data shown in this report is unaudited.



FEEDBACK

Dear Reader:

Thank you for taking the time to read our *2011 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 2011 Sustainability Report Team
April 2012

Name				
Contact Information	Telephone	Email		
Company				
Report Feedback*	Readability	Objectivity	Logic and Structure	Completeness
Beginning				
Adherence to Integrity and Compliance				
Innovative and Highly-efficient Operation				
Constructing Excellent Network				
Striving for Customer Confidence				
Narrowing the Digital Divide				
Enabling a Better Life with Innovative Information Solutions				
Managing Environmental Impacts				
Promoting Environmental Applications				
Fostering a Harmonious Community				
Employee Caring and Development				
Leading Industry Growth				
Pushing Forward to "Go Global"				
Ending				
Overall evaluation				

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

You are welcome to send this form to China Mobile 2011 Sustainability Report Team via email at CR@chinamobile.com, or via fax at +86-10-66006167.
We value your feedback and suggestions and will ensure that your information will not be accessed by any third party.

