

CHINA MOBILE LTD /ADR/  
Form 6-K  
April 22, 2010  
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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 6-K

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

For the Month of April 2010

Commission File Number: **1-14696**

## **China Mobile Limited**

(Translation of registrant's name into English)

**60/F, The Center**

**99 Queen's Road Central**

**Hong Kong, China**

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(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K on paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K on paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_ .

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**EXHIBITS**

**Exhibit**

**Number**

1.1 Circular to Shareholders regarding Major Transaction Subscription of 20% Interest in Shanghai Pudong Development Bank Co., Ltd., dated April 22, 2010

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**CHINA MOBILE LIMITED**

Date: April 22, 2010

By: /s/ Wang Jianzhou  
Name: **Wang Jianzhou**  
Title: **Chairman and Chief Executive Officer**

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**Exhibit 1.1**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Mobile Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**MAJOR TRANSACTION**  
**SUBSCRIPTION OF 20% INTEREST IN**  
**SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD.**

**Financial adviser to China Mobile Limited**

22 April 2010

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**DEFINITIONS**

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

<b>A Shares</b>	A shares of RMB1.00 each in the share capital of SPD Bank and an <b>A Share</b> shall be construed accordingly
<b>associates</b>	has the meaning ascribed to this term under the Listing Rules
<b>Board</b>	the board of Directors
<b>Business Day</b>	a day (excluding Saturdays and Sundays) on which banks in the PRC are open for business
<b>CBRC</b>	China Banking Regulatory Commission
<b>CMCC</b>	China Mobile Communications Corporation, a state-owned enterprise established under the laws of the PRC, the ultimate controlling shareholder of the Company
<b>Company</b>	China Mobile Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange and American Depositary Shares are listed on the New York Stock Exchange
<b>Completion</b>	completion of the Subscription in accordance with the terms of the Share Subscription Agreement
<b>connected person</b>	has the meaning ascribed to this term under the Listing Rules
<b>CSRC</b>	China Securities Regulatory Commission
<b>Directors</b>	the directors of the Company
<b>Group</b>	the Company and its subsidiaries
<b>Guangdong Mobile</b>	(China Mobile Group Guangdong Company Limited), a wholly-owned subsidiary of the Company
<b>HK\$</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>Hong Kong</b>	the Hong Kong Special Administrative Region of the People's Republic of China
<b>IFRSs</b>	International Financial Reporting Standards
<b>Last Trading Day</b>	25 February 2010, being the last trading day of the A Shares prior to the entering into of the Share Subscription Agreement
<b>Latest Practicable Date</b>	15 April 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

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**DEFINITIONS**

<b>Listing Rules</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>PBOC</b>	People's Bank of China
<b>PRC</b>	the People's Republic of China
<b>RMB</b>	Renminbi, the lawful currency of the PRC
<b>SFO</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>Share(s)</b>	ordinary share(s) of HK\$0.10 each in the capital of the Company
<b>Share Subscription Agreement</b>	the share subscription agreement dated 10 March 2010 and entered into between Guangdong Mobile and SPD Bank in relation to the Subscription
<b>SPD Bank</b>	Shanghai Pudong Development Bank Co., Ltd., a joint-stock commercial bank with its headquarters located in Shanghai, PRC whose issued A Shares are listed on the Shanghai Stock Exchange
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>Strategic Cooperation Memorandum of Understanding</b>	the strategic cooperation memorandum of understanding dated 10 March 2010 and entered into among the Company, Guangdong Mobile and SPD Bank
<b>Subscription</b>	the subscription of the Subscription Shares by Guangdong Mobile pursuant to the Share Subscription Agreement
<b>Subscription Shares</b>	initially 2,207,511,410 A Shares to be subscribed by Guangdong Mobile pursuant to the Share Subscription Agreement, which number of A Shares can be adjusted pursuant to the terms of the Share Subscription Agreement, and a <b>Subscription Share</b> shall be construed accordingly
<b>USD</b>	United States Dollars, the lawful currency of the United States of America
<b>%</b>	per cent.

*This circular contains translations between Renminbi and Hong Kong dollars at HK\$1 = RMB0.87950. The translations are not representations that the Renminbi and Hong Kong dollar amounts could actually be converted at such rate, if at all.*

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**LETTER FROM THE BOARD**

*Executive Directors:*

WANG Jianzhou (*Chairman & Chief Executive Officer*)

LI Yue

LU Xiangdong

XUE Taohai

HUANG Wenlin

SHA Yuejia

LIU Aili

XIN Fanfei

XU Long

*Independent Non-executive Directors:*

LO Ka Shui

Frank WONG Kwong Shing

Moses CHENG Mo Chi

*Non-executive Director:*

Nicholas Jonathan READ

*Registered office:*

60th Floor

The Center

99 Queen's Road Central

Hong Kong

22 April 2010

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION**

**SUBSCRIPTION OF 20% INTEREST IN**

**SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD.**

**INTRODUCTION**

On 10 March 2010, the Board announced that Guangdong Mobile had, on the same date, entered into the Share Subscription Agreement with SPD Bank pursuant to which Guangdong Mobile has conditionally agreed to subscribe for and SPD Bank has conditionally agreed to issue 2,207,511,410 A Shares, at a total cash consideration of RMB39,801,430,722.30 (equivalent to approximately HK\$45,255 million).

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**LETTER FROM THE BOARD**

After Completion, the Company will, through its wholly-owned subsidiary Guangdong Mobile, be interested in 20% of the enlarged issued share capital in SPD Bank and will become the second largest shareholder of SPD Bank. Shanghai International Group and its affiliates will remain the largest shareholder of SPD Bank, holding approximately 24.32% of the enlarged issued share capital of SPD Bank after Completion (calculated on the basis of their shareholding as at 31 December 2009). SPD Bank will be accounted for in the books of the Company as an investment in an associate and the financial results of SPD Bank will be accounted for by using the equity method of accounting.

On 10 March 2010, the Company and Guangdong Mobile had also entered into the Strategic Cooperation Memorandum of Understanding with SPD Bank to set out the intention of the parties to engage in future strategic cooperation.

The Group had no other prior transactions with SPD Bank and its associates which require aggregation with the Share Subscription Agreement under Rule 14.22 of the Listing Rules.

Since the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription (being the assets ratio) exceeds 25% (but not 100%), the Subscription constitutes a major transaction of the Company and is subject to approval by the shareholders of the Company under Chapter 14 of the Listing Rules.

As no shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval of the Subscription, pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval by CMCC has been accepted in lieu of holding a general meeting to approve the Subscription. CMCC, which holds indirectly 14,890,116,842 shares in the Company, representing approximately 74.22% of the issued shares of the Company as at the Latest Practicable Date, has approved the Share Subscription Agreement and the transactions contemplated thereunder in writing. The shareholders' approval requirement under Rule 14.40 of the Listing Rules has therefore been satisfied and hence, no general meeting of the Company will be held for approving the Subscription.

The purpose of this circular is to provide you with further information relating to the Subscription, the financial information of SPD Bank and other information in accordance with the requirements under the Listing Rules.

**THE SUBSCRIPTION**

**The Share Subscription Agreement**

**Date**

10 March 2010

**Parties**

- (1) China Mobile Group Guangdong Company Limited
- (2) Shanghai Pudong Development Bank Co., Ltd.

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**LETTER FROM THE BOARD**

**Subscription shares**

Pursuant to the Share Subscription Agreement, Guangdong Mobile has conditionally agreed to subscribe for and SPD Bank has conditionally agreed to issue 2,207,511,410 A Shares, representing 20% of the issued share capital of SPD Bank as enlarged by the issue of the Subscription Shares. In the event that there is any distribution, capitalization issue or rights issue by SPD Bank before Completion, the total number of Subscription Shares shall be adjusted accordingly so that the total number of Subscription Shares shall represent 20% of the issued share capital of SPD Bank as enlarged by the issue of the Subscription Shares and the distribution, capitalization issue or rights issue.

After Completion, the Company will, through its wholly-owned subsidiary Guangdong Mobile, be interested in 20% of the enlarged issued share capital in SPD Bank and will become the second largest shareholder of SPD Bank. Shanghai International Group and its affiliates will remain the largest shareholder of SPD Bank, holding approximately 24.32% of the enlarged issued share capital of SPD Bank after Completion (calculated on the basis of their shareholding as at 31 December 2009).

**Consideration**

The consideration payable by Guangdong Mobile to SPD Bank per Subscription Share under the Share Subscription Agreement is RMB18.03 (equivalent to approximately HK\$20.50), and the total consideration for the Subscription is RMB39,801,430,722.30 (equivalent to approximately HK\$45,255 million). Such consideration will be satisfied by Guangdong Mobile in cash upon Completion. Guangdong Mobile will settle the consideration using its internal resources.

The subscription price for each Subscription Share of RMB18.03 represents:

- (a) a discount of approximately 13.07% to the closing price of RMB20.74 per A Share as quoted on the Shanghai Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 10% to the average trading price of approximately RMB20.03 per A Share as traded on the Shanghai Stock Exchange for the last twenty consecutive trading days prior to the announcement by SPD Bank of the board resolutions approving the Subscription as calculated in accordance with applicable laws and requirements;
- (c) a discount of approximately 20.82% to the closing price of RMB22.77 per A Share as quoted on the Shanghai Stock Exchange on the Latest Practicable Date; and
- (d) a premium of approximately 134.28% over the underlying net asset value per A Share attributable to equity holders of SPD Bank of approximately RMB7.696 per A Share as at 31 December 2009 (based on the audited consolidated balance sheet of SPD Bank as at 31 December 2009 prepared in accordance with IFRSs as set out in Part B of Appendix I to this circular).

In the event that there is any distribution, capitalization issue or rights issue by SPD Bank before Completion, the subscription price per Subscription Share shall be adjusted accordingly in accordance with the relevant rules of the Shanghai Stock Exchange on an ex-right or ex-dividend basis (as the case may be).



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**LETTER FROM THE BOARD**

Any adjustment in the subscription price per Subscription Share or the total number of Subscription Shares will not affect the classification of the Subscription under Chapter 14 of the Listing Rules.

The consideration for the Subscription has been arrived at after arm's length negotiations between the parties in accordance with applicable laws and having regard to relevant industry and market factors, the historical performance of SPD Bank, the prevailing market price of the A Shares and the potential strategic cooperation opportunities between the parties.

**Conditions precedent**

Completion of the Subscription is conditional upon the fulfilment (or waiver, to the extent permissible under laws) of the following conditions:

- (i) all necessary approvals from government and relevant regulatory authorities (including but not limited to CBRC, CSRC and State-owned Assets Supervision and Administration Commission of the State Council) in respect of the Subscription having been obtained and such approvals remaining valid as at the date of Completion;
- (ii) the shareholders of SPD Bank approving the Subscription at a general meeting;
- (iii) the approval of the Subscription by the shareholders of the Company by way of written approval in accordance with the Listing Rules, or (if applicable) at a general meeting of the Company convened for this purpose;
- (iv) all representations and warranties contained in the Share Subscription Agreement being true and accurate in all material respects as at the date of the Share Subscription Agreement and up to and including the date of Completion;
- (v) no laws, regulations, rules, orders or notices have been announced, promulgated or implemented by the government and relevant regulatory authorities which prohibit the transactions contemplated under the Share Subscription Agreement;
- (vi) the A Shares remaining listed on the Shanghai Stock Exchange;
- (vii) there having been no material adverse change in the assets and liabilities, business, financial positions or operation results of SPD Bank since the date of the Share Subscription Agreement, and there being no events or circumstances which will reasonably be expected to give rise to any such material adverse change; and
- (viii) the two representatives from Guangdong Mobile having become non-independent directors of SPD Bank in accordance with laws unless Guangdong Mobile is of the opinion that arrangements have been put in place such that the board seats have been guaranteed and committed.

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If any of the above conditions have not been fulfilled or waived (to the extent permissible under laws) by the parties on or before 31 December 2010 (or such other date as agreed in writing by the parties), the Share Subscription Agreement will lapse and thereafter neither party shall have any obligations and liabilities towards each other save for any antecedent breaches of the terms thereof. As at the Latest Practicable Date, the shareholders of SPD Bank have already approved the Subscription at a general meeting.

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**LETTER FROM THE BOARD**

**Completion**

Completion shall take place on the seventh Business Day after the above conditions precedent have been fulfilled or waived, or on such earlier date after the fulfilment or the waiver of the conditions precedent as the parties to the Share Subscription Agreement may agree.

**Ranking of Subscription Shares**

The Subscription Shares, when issued, will rank equally in all respects among themselves and with the A Shares in issue on the date of issue of the Subscription Shares.

**Lock-up Period**

The Subscription Shares are subject to a lock-up period of 36 months commencing from the date of issue of the Subscription Shares, during which period Guangdong Mobile shall not transfer any of the Subscription Shares, although transfer to its affiliates permissible under applicable laws is not prohibited.

**Right to Appoint Director**

For so long as Guangdong Mobile is interested in 20% of the issued share capital of SPD Bank, the board of directors of SPD Bank shall comprise at least two non-independent directors and at least one independent director nominated by Guangdong Mobile. Subject to the permission of the competent government or regulatory authorities, Guangdong Mobile shall be entitled to recommend an additional independent director to the board of directors of SPD Bank.

Subject to the approval of the board of directors of SPD Bank, the Strategic Committee, the Audit Committee and the Nomination Committee of the board of directors of SPD Bank shall comprise at least one non-independent director nominated by Guangdong Mobile provided that such non-independent director shall possess the professional expertise required for the performance of the duties as a member of the board of directors and the relevant board committees as well as satisfy the requirements under applicable laws.

Guangdong Mobile and the Company will not participate in the day-to-day management and operation of SPD Bank.

**Maintaining 20% Stake**

In the event that SPD Bank shall issue any new securities at any time after Completion, Guangdong Mobile shall be entitled to subscribe for such number of new securities of SPD Bank on the same terms so as to maintain its 20% shareholding in SPD Bank.

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When formulating or deciding on any financing plan or proposal after Completion, SPD Bank shall take into account the right of Guangdong Mobile under the Share Subscription Agreement to maintain its shareholding percentage. Guangdong Mobile would not seek to increase its shareholding in SPD Bank to over 20% unless permissible under applicable laws and with the consent of SPD Bank.

**INFORMATION ON SPD BANK**

SPD Bank, established in 1992 with the approval of the PBOC, is a joint-stock commercial bank. The A Shares of SPD Bank are listed on the Shanghai Stock Exchange. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SPD Bank and its only substantial shareholder, namely Shanghai International Group, are third parties independent of the Company and the connected persons of the Company.

With its headquarters located in Shanghai, PRC, as at 31 December 2009, SPD Bank had 33 branches directly controlled by its head office and 565 outlets in the PRC. Through this network, SPD Bank provides a broad range of financial products and services to its corporate and retail customers. Currently, in addition to its branches in the PRC, SPD Bank also has six subsidiaries in the PRC and a representative office in Hong Kong.

**FINANCIAL INFORMATION OF SPD BANK**

Based on the audited consolidated results of SPD Bank for the three years ended 31 December 2007, 2008 and 2009, prepared in accordance with IFRSs and as set out in Appendix I to this circular, the audited consolidated net asset value of SPD Bank as at 31 December 2009 was RMB68.087 billion, and the audited consolidated profit before taxation and net profit after taxation of SPD Bank were as follows:

	Year ended 31 December 2009 (RMB 000)	Year ended 31 December 2008 (RMB 000)	Year ended 31 December 2007 (RMB 000)
Profit before taxation	17,296,024	15,303,455	10,755,397
Net profit after taxation	13,215,137	12,515,831	5,495,871

Based on the audited consolidated results of SPD Bank for the three years ended 31 December 2007, 2008 and 2009, prepared in accordance with the China Accounting Standards for Business Enterprises and as disclosed in the published annual reports of SPD Bank, the audited consolidated net asset value of SPD Bank as at 31 December 2009 was RMB68.087 billion, and the audited consolidated profit before taxation and net profit after taxation of SPD Bank were as follows:

	Year ended 31 December 2009 (RMB 000)	Year ended 31 December 2008 (RMB 000)	Year ended 31 December 2007 (RMB 000)
Profit before taxation	17,296,025	15,303,455	10,758,301
Net profit after taxation	13,215,137	12,515,831	5,498,775

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**LETTER FROM THE BOARD**

**STRATEGIC COOPERATION MEMORANDUM OF UNDERSTANDING**

On 10 March 2010, the Company and Guangdong Mobile entered into the Strategic Cooperation Memorandum of Understanding with SPD Bank to set out the intention of the parties to engage in future strategic cooperation.

Pursuant to the Strategic Cooperation Memorandum of Understanding, the parties intend to closely cooperate in the joint development of mobile finance and mobile e-Commerce businesses. The scope of cooperation will include but not limited to the joint development of mobile phone payments business, mobile bank cards business, mobile funds transfer business and other forms of mobile finance and mobile e-Commerce businesses, the joint research and development of the bundling of other forms of mobile communications and finance products as well as the joint in-depth research and development of new technologies and new products of future mobile finance and mobile e-Commerce businesses. The parties also agree to promote their cooperation in the areas of basic banking services and basic telecommunications services, and leverage on their respective competitive advantages to bring synergies in terms of branding, customers, channels and network platform resources into full play.

The Strategic Cooperation Memorandum of Understanding serves to set out the broad intention of the parties. The parties shall use their best endeavours to enter into a legally binding strategic cooperation agreement within three months following completion of the Subscription, which is the precondition to the giving of effect to the intention as set out in the Strategic Cooperation Memorandum of Understanding.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE SUBSCRIPTION AGREEMENT AND THE STRATEGIC COOPERATION MEMORANDUM OF UNDERSTANDING**

Telecommunications technology has been rapidly evolving and customer demand for the mobility and portability of products is increasing. Mobile telecommunications terminals are becoming more and more multi-functional. Mobile handsets have transformed from a simple tool for communication to a valuable asset for communications, entertainment and shopping. At the same time, along with the rapid development of China's macro-economy, the increasing penetration of mobile Internet and the popularization of Internet of Things in China, mobile phone payments and mobile e-Commerce will become one of the major means that people make their spendings in the future, which will present unprecedented development opportunities to mobile telecommunications operators in China.

The Company recognizes such development trend and has been actively exploring opportunities in such arena. Based on experience, equity investment could better align the interests of the parties concerned and promote the development of mobile e-Commerce to the greatest extent. Through equity investment, telecommunications operators could take greater initiative in the industry chain and offer more in-depth value-added businesses as well as value-added businesses that could enjoy greater returns in more segments in the industry chain.

SPD Bank is a premium nationwide joint-stock commercial bank with moderate size, relatively favourable assets quality and solid operation philosophy. SPD Bank has also established a sound corporate governance system and its network coverage and other qualities are suitable for cooperation with the Company and is an ideal cooperation partner of the Company.

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**LETTER FROM THE BOARD**

SPD Bank possesses a nationwide operation licence and has basically completed the setting up of its geographical distribution in the important central cities across the country. In addition, SPD Bank has experience in mobile phone payments. All these laid a relatively solid foundation for the parties' cooperation. SPD Bank was founded in Shanghai, an important financial centre. It has a mature business distribution in the Yangtze River Delta region, the most economically advanced region in China. The number of outlets of SPD Bank in the region is leading among the nationwide joint-stock commercial banks in China, which presents SPD Bank with competitive geographical advantage. With its strong economy and leading personal financial services in terms of contents and depth in the country, the Yangtze River Delta region is an ideal market to promote mobile finance and mobile e-Commerce businesses. The strong brand recognition and business coverage of SPD Bank in the region will benefit the parties in promoting mobile finance and mobile e-Commerce businesses in the region.

The fundamentals of SPD Bank are favourable and its profitability is steadily increasing. All these support the Company's belief that this investment is not only an important strategic investment but will also, from a financial perspective, provide a favourable return.

Based on the above, the Company intends to establish a more in-depth strategic cooperation relationship with SPD Bank on the basis of its shareholding in SPD Bank, and to cooperate with SPD Bank in the development of the mobile finance and mobile e-Commerce businesses. The Company has more than 500 million customers and service centres in urban and rural areas across the country. The Company is familiar with the spending habits of its customers and possesses enormous premium resources which could be applied in the development of mobile finance and mobile e-Commerce businesses. SPD Bank has the requisite qualifications for nationwide operation and a network covering the important central cities across the country, which will effectively promote the strategic cooperation between the parties. The Company believes that the strategic cooperation with SPD Bank will open up a "blue ocean" for the Company and bring new growth to the Company's results, which will at the end maximize the interests of its shareholders.

The Directors are of the view that the terms of the Share Subscription Agreement are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

**FINANCIAL EFFECTS OF THE SUBSCRIPTION ON THE GROUP**

After Completion, the Company will, through its wholly-owned subsidiary Guangdong Mobile, be interested in 20% of the enlarged issued share capital in SPD Bank. SPD Bank will be accounted for in the books of the Company as an investment in an associate and the financial results of SPD Bank will be accounted for by using the equity method of accounting.

The unaudited pro forma net assets statement of the Group as set out in Part A of Appendix III to this circular was prepared as if the Subscription had been completed on 31 December 2009. Upon Completion, the Group's unaudited consolidated non-current assets will increase from approximately RMB464,013 million to RMB503,814 million as at 31 December 2009. Since the consideration will be funded by internal resources, the Group's total balance of deposits with banks and cash and cash equivalents will decrease from approximately RMB264,507 million to RMB224,706 million. Details of all the adjustments made are set out in the unaudited pro forma net assets statement of the Group set out in Part A of Appendix III to this circular.

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**LETTER FROM THE BOARD**

After Completion, the profits of SPD Bank will be shared by the Company proportionally. In view of the historical performance of SPD Bank and the potential strategic cooperation opportunities between the parties, it is expected that both the profit before taxation and profit after taxation of the Company will increase as a result of the Subscription.

**FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is the world's No. 1 mobile communications operator by number of customers and enjoys prominent advantages from its economies of scale and market leading position. As at the end of 2009, the Group's total customer base reached 522 million. In recent years, the Group continued to maintain steady growth, good profitability and also its leading position among international peers in terms of market capitalization and brand value. The Group's business grew steadily despite facing multiple challenges and it successfully competed to win higher market share from new customers and preserved its existing customer base. While the Group's voice business is steadily developing, the Group's value-added business continues to grow and has prominently boosted the Group's revenue, contributing to an increasing proportion of the Group's total revenue and has also formed a favorable value-added business product supply. In addition, complementing State policies for economic development in rural areas, the Group leveraged its large scale of operations to further expand into the rural market and achieved satisfactory results. The Group's presence is increasingly influential and its competitive edge is strengthening in the rural market.

The Group has maintained world-class network quality and continued to expand its international roaming services coverage. The Group has almost completed the upgrading of its core network into a fully IP-based core network, laying a solid foundation for a full-service network that is geared to the future needs and capable in providing integrated businesses. The quality of the Group's 3G network has significantly enhanced and is close to that of its world-class 2G network. The Group adopted an integrated dual-network development strategy. Leveraging the Group's competitive advantages in terms of networks and scale, the Group's 3G business achieved a remarkable growth. Meanwhile, the Group is committed to lead and promote the development of TD-SCDMA (TD) throughout the entire supply chain in an effort to accelerate the maturity of the industry.

In 2009, the Group recorded RMB452,103 million in operating revenue, a steady rise of 9.8% over last year. Continuously leading the industry in profitability, the Group achieved 2.3% increase in profit attributable to shareholders, which reached RMB115,166 million, arriving at a margin of 25.5%. EBITDA rose 5.9% to RMB229,023 million, with EBITDA margin reaching 50.7%. Basic earnings per share grew 2.2% to RMB5.74. Underpinned by its solid capital structure and financial strength, the Group is well-positioned to manage risks and achieve continued healthy growth.

Looking to the future, the continuing impact of the global financial crisis on the Chinese economy, the change in the competitive landscape, the increasing mobile penetration rate and the convergence across telecommunications, Internet and Radio & TV Broadcasting networks all pose fresh challenges to the Group's future development. On the other hand, the Chinese government has pursued policies aimed at boosting domestic consumption and strengthening economic growth. All these factors will lead to increasing demand for telecommunications services. The government attaches great importance and gives strong support to home-grown innovation, which motivates the Group and gives it confidence in its 3G development. In addition, the flourishing Mobile Internet and the Internet of Things concepts, as well as the integration of mobile payments into the financial system, have all created new revenue stream possibilities. The convergence across telecommunications, Internet and Radio & TV Broadcasting networks will form a new market beyond the traditional telecommunications industry. All these trends present us with new opportunities for future development.

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**LETTER FROM THE BOARD**

The Group believes in growth via making new markets, in line with the strategy popularly known as “Blue Ocean Strategy”. Based on its strong foundation and integrated capabilities, the Group will focus on growing its telecommunications and information service business, thereby maintaining its leading position.

In order to further promote the development of the Group’s value-added business with an aim to providing the Group’s customers with better value-added services, the Group entered into the Strategic Cooperation Memorandum of Understanding with SPD Bank to set out the intention of the parties to engage in future strategic cooperation in the joint development of mobile e-Commerce business. Telecommunications technology has been rapidly evolving and customer demand for the mobility and portability of products is increasing. Mobile telecommunications terminals become more and more multi-functional. Mobile handsets have transformed from a simple tool for communication to a valuable asset for communications, entertainment and shopping. At the same time, along with the rapid development of China’s macro-economy, the increasing penetration of mobile Internet and the popularization of “Internet of Things” in China, mobile phone payments and mobile e-Commerce will become one of the major means that people make their spendings in the future. The Company believes that the strategic cooperation with SPD Bank will open up a “Blue Ocean” for the Company and bring new growth to the Company’s results, which will at the end maximize the interests of its shareholders.

**LISTING RULES IMPLICATIONS**

The Group had no other prior transactions with SPD Bank and its associates which require aggregation with the Share Subscription Agreement under Rule 14.22 of the Listing Rules.

Since the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription (being the assets ratio) exceeds 25% (but not 100%), the Subscription constitutes a major transaction of the Company and is subject to approval by the shareholders of the Company under Chapter 14 of the Listing Rules.

As no shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval of the Subscription, pursuant to Rule 14.44 of the Listing Rules, written shareholders’ approval by CMCC has been accepted in lieu of holding a general meeting to approve the Subscription. CMCC, which holds indirectly 14,890,116,842 shares in the Company, representing approximately 74.22% of the issued shares of the Company as at the Latest Practicable Date, has approved the Share Subscription Agreement and the transactions contemplated thereunder in writing. The shareholders’ approval requirement under Rule 14.40 of the Listing Rules has therefore been satisfied and hence, no general meeting of the Company will be held for approving the Subscription.

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**LETTER FROM THE BOARD**

**GENERAL INFORMATION**

The Group is the leading mobile telecommunications services provider in China, which operates nationwide mobile telecommunications networks in all thirty-one provinces, autonomous regions and directly-administered municipalities in Mainland China and in Hong Kong. The Company is an investment holding company.

Guangdong Mobile is a wholly-owned subsidiary of the Company established in Guangdong Province, PRC. Guangdong Mobile provides mobile telecommunications services in Guangdong Province, PRC. Guangdong Mobile is the largest provincial company in the telecommunications industry of the PRC as well as the largest telecommunications operator in Guangdong Province, PRC. The network of Guangdong Mobile covers all administrative regions and 99.24% of the population in Guangdong Province, PRC.

**RECOMMENDATION**

The Board is of the view that the terms of the Share Subscription Agreement are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its shareholders as a whole. The Board would recommend the shareholders of the Company to vote in favour of the resolution approving the Subscription should a general meeting be held to consider and approve the Subscription.

**ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully  
For and on behalf of the Board  
**China Mobile Limited**  
**Wang Jianzhou**  
*Chairman and Chief Executive Officer*

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**APPENDIX I**

**FURTHER INFORMATION ON SPD BANK**

**A. GENERAL INFORMATION ON SPD BANK**

SPD Bank was established on 28 August 1992 with the approval of the PBOC and officially opened for business on 9 January 1993. In 1999, SPD Bank was approved to issue A shares and was listed on the Shanghai Stock Exchange (Stock Code 600000).

With its headquarters located in Shanghai, PRC, SPD Bank is a national joint-stock commercial bank which possesses a national operation license and has operations predominantly based in the PRC. As at 31 December 2009, SPD Bank had 33 branches directly controlled by its head office and 565 outlets in the PRC. Currently, in addition to its branches in the PRC, SPD Bank also has six subsidiaries in the PRC and a representative office in Hong Kong. The distribution network of SPD Bank mainly covers coastal cities, cities along the Yangtze River as well as the important central cities across the country, with an strategic concentration in the Yangtze River Delta, Pearl River Delta and Bohai Rim. SPD Bank is also present in economically developed cities with market potential in the central, western and northeastern regions of China.

Through this nationwide network, SPD Bank provides a broad range of financial products and services to its corporate and retail customers. In relation to corporate banking business, SPD Bank provides corporate banking products and services (such as deposit-taking, corporate lending and bill discounting), non-interest-based corporate banking products and services (such as domestic and international settlement services, foreign currency trading and foreign exchange services, custody services, agency services, underwriting of commercial paper) and offshore banking products and services, to its corporate customers. As for retail banking business, SPD Bank provides retail banking products and services (such as retail loans, retail deposits and credit cards), non-interest-based retail banking products and services (such as wealth management services and foreign currency trading and foreign exchange services), to its retail customers. Apart from providing corporate and retail banking products and services to its customers, SPD Bank also engages in treasury operations such as money market transactions, treasury transactions conducted on behalf of customers as well as securities investment and trading.

Based on the audited consolidated results of SPD Bank for the year ended 31 December 2009, prepared in accordance with IFRSs and as set out in Part B of this Appendix, as at 31 December 2009, SPD Bank had RMB1,622.718 billion in total assets, RMB928.855 billion in total loans and RMB1,295.342 billion in total deposits and the operating income, profits before tax and profit after tax of SPD Bank were RMB36.919 billion, RMB17.296 billion and RMB13.215 billion respectively.

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**FURTHER INFORMATION ON SPD BANK**

**B. ACCOUNTANTS REPORT ON SPD BANK**

*The following is a text of a report, prepared for the purpose of inclusion in this circular, received from the independent reporting accountants of SPD Bank, Ernst & Young, Certified Public Accountants, Hong Kong.*

18th Floor  
Two International Finance Centre  
8 Finance Street, Central,  
Hong Kong

The Directors

**Shanghai Pudong Development Bank Co., Ltd**

**China Mobile Limited**

Dear Sirs,

We set out below our report on the financial information (the **Financial Information**) of Shanghai Pudong Development Bank Co., Ltd. (the **Company**) and its subsidiaries (collectively referred to as the **Group**) for each of the three years ended 31 December 2007, 2008 and 2009 (the **Relevant Periods**) for inclusion in the circular of China Mobile Limited (**China Mobile**) dated 22 April 2010 (the **Circular**) issued in connection with the proposed subscription by China Mobile Guangdong Co., Ltd. (**Guangdong Mobile**), a wholly-owned subsidiary of China Mobile as of the date of this report), of 2,207,511,410 new A shares of the Company.

The Company is a joint-stock commercial bank listed on the Shanghai Stock Exchange.

The primary and statutory financial statements of the Group for the years ended December 31, 2007, 2008 and 2009 were prepared in accordance with the Chinese Accounting Standards for Business Enterprises and were audited by Ernst & Young Hua Ming.

For the purpose of this report, the directors of the Company have prepared the consolidated financial statements of the Group for the Relevant Periods (the **IFRS Financial Statements**) in accordance with International Financial Reporting Standards (**IFRS**) promulgated by the International Accounting Standards Board, which were audited by us in accordance with the International Standards on Auditing. The Financial Information set out in this report has been prepared from the IFRS Financial Statements. No adjustments were made to the IFRS Financial Statements for the purpose of the Financial Information included in this report.

The directors of the Company are responsible for the preparation and the true and fair presentation of the Financial Information in accordance with IFRS. In preparing the Financial Information that gives a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently, and that judgments and estimates made are reasonable. The directors of China Mobile Limited are responsible for the content of the Circular in which this report is included.

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**FURTHER INFORMATION ON SPD BANK**

For the purpose of this report, we have carried out independent audit procedures on the Financial Information. We conducted our audit in accordance with International Standards on Auditing and carried out such additional procedures as we considered necessary in accordance with Auditing Guideline 3.340 Prospectuses and the Reporting Accountant issued by the Hong Kong Institute of Certified Public Accountants. It is our responsibility to form an independent opinion, based on our procedures, on the Financial Information and to report our opinion thereon.

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007, 2008 and 2009, and of the consolidated results and cash flows of the Group for the Relevant Periods.

**Ernst & Young**

*Hong Kong Certified Public Accountants*

22 April 2010

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	<i>Notes</i>	<b>2009</b> <i>RMB 000</i>	<b>2008</b> <i>RMB 000</i>	<b>2007</b> <i>RMB 000</i>
Interest income	5	60,190,044	55,721,300	38,442,515
Interest expense	5	(26,651,656)	(24,186,964)	(14,262,545)
<b>Net interest income</b>	5	33,538,388	31,534,336	24,179,970
Fee and commission income	6	2,720,419	2,334,955	1,603,571
Fee and commission expense		(513,453)	(540,406)	(474,132)
<b>Net fee and commission income</b>		2,206,966	1,794,549	1,129,439
Net trading income/(expense)	7	12,416	297,325	(212,863)
Other operating income, net	8	1,161,051	892,429	770,646
<b>OPERATING INCOME</b>		36,918,821	34,518,639	25,867,192
Impairment losses on loans and advances	9	(3,052,663)	(3,471,415)	(3,516,735)
<b>NET OPERATING INCOME</b>		33,866,158	31,047,224	22,350,457
Personnel expenses	10	(7,906,864)	(8,073,093)	(5,760,071)
General and administrative expenses	11	(4,764,704)	(3,981,842)	(3,299,718)
Depreciation	27	(1,013,503)	(882,948)	(747,840)
Business tax and surcharges		(2,825,811)	(2,612,630)	(1,854,219)
Impairment (losses)/reversals on other assets	12	(129,497)	(247,053)	42,364
<b>OPERATING EXPENSES</b>		(16,640,379)	(15,797,566)	(11,619,484)
<b>OPERATING PROFITS</b>		17,225,779	15,249,658	10,730,973
Share of net profit of associates		84,271	76,025	33,271
Share of net profit of joint ventures		(14,026)	(22,228)	(8,847)
<b>PROFITS BEFORE TAX</b>		17,296,024	15,303,455	10,755,397
Income tax expense	13	(4,080,887)	(2,787,624)	(5,259,526)
<b>PROFIT FOR THE YEAR</b>		13,215,137	12,515,831	5,495,871

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	<i>Notes</i>	<b>2009</b> <i>RMB 000</i>	<b>2008</b> <i>RMB 000</i>	<b>2007</b> <i>RMB 000</i>
<b>Profit attributable to:</b>				
Owners of the parent company	<i>14</i>	13,216,581	12,515,968	5,495,871
Minority interests		(1,444)	(137)	
<b>OTHER COMPREHENSIVE INCOME</b>				
Share of other comprehensive income of associates, after tax		(5,393)	8	(4,116)
Unrealised gain or loss of available-for-sale investments				
Changes in fair value recorded in other comprehensive income		(761,806)	2,276,979	(1,713,750)
Income tax effect	<i>13</i>	190,567	(569,245)	455,414
Unamortised gain or loss of held-to-maturity Investments				
Changes in unamortised gain or loss for the year		145,456	(193,815)	
Income tax effect		(36,364)	48,454	
Other comprehensive income, after tax		(467,540)	1,562,381	(1,262,452)
<b>Total comprehensive income</b>		<b>12,747,597</b>	<b>14,078,212</b>	<b>4,233,419</b>
Total comprehensive income attributable to:				
Owners of the parent company		12,749,041	14,078,349	4,233,419
Minority interests		(1,444)	(137)	
<b>EARNINGS PER SHARE</b>				
Basic and diluted earnings per share (RMB)	<i>14</i>	1.62	1.58	0.69

*The accounting policies and explanatory notes on pages I-15 through I-93 form an integral part of the financial statements.*

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	<i>Notes</i>	<b>31 December 2009 RMB 000</b>	<b>31 December 2008 RMB 000</b>	<b>31 December 2007 RMB 000</b>
<b>ASSETS</b>				
Cash and balances with the central bank	15	205,118,947	162,601,258	141,423,926
Due from banks and other financial institutions	16	167,676,463	77,773,214	21,473,665
Reverse repurchase agreements	17	53,057,497	171,471,733	80,992,091
Trading securities	18			3,816,224
Precious metals		213,212		
Derivative financial assets	19	607,340	2,287,774	347,575
Accounts receivable	20	3,460,720	1,008,690	909,314
Loans and advances to customers	21	910,508,026	681,266,568	535,657,646
Available-for-sale investments	22	89,982,423	57,754,770	89,148,752
Held-to-maturity financial assets	23	136,745,989	110,600,017	
Equity investment in associates	24	546,353	467,460	396,083
Equity investment in joint ventures	25	56,899	70,926	93,153
Loans and receivables investments	26	33,657,198	23,261,377	22,384,546
Construction in progress	27			29,019
Property and equipment	28	8,047,670	6,968,505	6,106,818
Prepaid lease rental	29	104,592	110,055	128,613
Intangible assets	30	2,029	678	756
Deferred tax assets	31	3,108,660	2,788,607	2,894,605
Other assets	32	9,823,942	10,993,810	9,177,560
<b>TOTAL ASSETS</b>		<b>1,622,717,960</b>	<b>1,309,425,442</b>	<b>914,980,346</b>
<b>LIABILITIES</b>				
Due to the central bank	33	48,000		10,000
Due to banks and other financial institutions	34	209,709,862	232,973,672	66,146,844
Repurchase agreements	35	1,264,882	19,682,401	2,806,110
Financial liabilities at fair value through profit or loss		237,326		
Derivative financial liabilities	19	605,504	2,378,205	532,648
Due to customers	36	1,295,342,342	947,293,581	763,472,893
Dividends payable	37	17,920	11,935	38,485
Income tax payable		1,727,446	2,061,347	3,092,410
Bonds issued	38	18,800,000	24,800,000	23,600,000
Other liabilities	39	26,877,233	38,522,502	26,983,088
<b>TOTAL LIABILITIES</b>		<b>1,554,630,515</b>	<b>1,267,723,643</b>	<b>886,682,478</b>

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## FURTHER INFORMATION ON SPD BANK

	<i>Notes</i>	<b>31 December 2009 RMB 000</b>	<b>31 December 2008 RMB 000</b>	<b>31 December 2007 RMB 000</b>
<b>EQUITY</b>				
Share capital	<i>40</i>	8,830,046	5,661,348	4,354,883
Capital reserve	<i>41</i>	24,250,512	10,333,405	10,333,397
Reserves	<i>42</i>	17,588,576	13,263,514	10,912,145
Unrealised gain/(loss) on available- for-sale investments		104,088	675,327	(1,032,407)
Unamortised loss on held-to- maturity investments		(36,269)	(145,361)	
Retained profits	<i>43</i>	17,216,073	11,891,203	3,729,850
Total equity attributable to owners of the parent company		67,953,026	41,679,436	28,297,868
Minority interests	<i>44</i>	134,419	22,363	
<b>TOTAL EQUITY</b>		68,087,445	41,701,799	28,297,868
<b>TOTAL EQUITY AND LIABILITIES</b>		1,622,717,960	1,309,425,442	914,980,346

*The accounting policies and explanatory notes on pages I-15 through I-93 form an integral part of the financial statements.*

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	<i>Notes</i>	<b>31 December 2009 RMB 000</b>	<b>31 December 2008 RMB 000</b>	<b>31 December 2007 RMB 000</b>
<b>ASSETS</b>				
Cash and balances with the central bank	15	204,896,082	162,600,398	141,423,926
Due from banks and other financial institutions	16	167,615,725	77,772,063	21,473,665
Reverse repurchase agreements	17	53,057,497	171,471,733	80,992,091
Trading securities	18			3,816,224
Precious metals		213,212		
Derivative financial assets	19	607,340	2,287,774	347,575
Accounts receivable	20	3,460,720	1,008,690	909,314
Loans and advances to customers	21	910,034,919	681,266,568	535,657,646
Available-for-sale investments	22	89,982,423	57,754,770	89,148,752
Held-to-maturity financial assets	23	136,745,989	110,600,017	
Equity investment in associates	24	546,353	467,460	396,083
Equity investment in joint ventures	25	56,899	70,926	93,153
Equity investment in subsidiaries	48	164,000	27,500	
Loans and receivables investments	26	33,477,198	23,261,377	22,384,546
Construction in progress	27			29,019
Property and equipment	28	8,027,197	6,968,388	6,106,818
Prepaid lease rental	29	104,592	110,055	128,613
Intangible assets	30	2,029	678	756
Deferred tax assets	31	3,108,660	2,788,607	2,894,605
Other assets	32	9,621,390	10,993,288	9,177,560
<b>TOTAL ASSETS</b>		<b>1,621,722,225</b>	<b>1,309,450,292</b>	<b>914,980,346</b>
<b>LIABILITIES</b>				
Due to the central bank	33	48,000		10,000
Due to banks and other financial institutions	34	210,822,906	233,023,672	66,146,844
Repurchase agreements	35	1,264,882	19,682,401	2,806,110
Financial liabilities at fair value through profit or loss		237,326		
Derivative financial liabilities	19	605,504	2,378,205	532,648
Due to customers	36	1,293,373,546	947,290,689	763,472,893
Dividends payable	37	17,920	11,935	38,485
Income tax payable		1,727,446	2,061,347	3,092,410