

CHINA MOBILE LTD /ADR/  
Form 6-K  
August 17, 2007

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 6-K

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**Report of Foreign Private Issuer**

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

**For the Month of August 2007**

**Commission File Number: 1-14696**

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## China Mobile Limited

(Translation of registrant's name into English)

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**60/F, The Center**

**99 Queen's Road Central**

**Hong Kong, China**

(Address of principal executive offices)

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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):

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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  X

If  Yes  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**

**Page**

1.1      Announcement of 2007 Interim Results, dated August 16, 2007

**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: August 17, 2007

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

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**ANNOUNCEMENT OF 2007 INTERIM RESULTS**

Turnover reached RMB166.6 billion, up by 21.6%

Total subscribers reached 332 million, up by 31.15 million

EBITDA of RMB89.8 billion, up by 14.6%

Payment of an ordinary interim dividend of HK\$0.837 per share. The Company's planned dividend payout ratio for the full year of 2007 is 43%

EBITDA margin of 53.9%, maintained at high level

The Company planned full year special dividend for 2007,

Profit attributable to shareholders of RMB37.9 billion, up by 25.7% payment of a special interim dividend of HK\$0.085 per share

**CHAIRMAN'S STATEMENT**

Dear Shareholders,

**China's tremendous economic growth continues to be the envy of the world. Its need for telecommunications services has also continued to grow rapidly.**

**This is excellent news for the Group. During the first six months of 2007 our business has made steady progress, benefiting from a sound competitive environment, a superior network, strong brand recognition, economies of scale and effective management.**

**The Group recorded an excellent half-year financial performance. This has reinforced our solid financial structure and helped us maintain favorable profitability for our shareholders.**

**Financial Results**

The Group's operating revenue in the first half of 2007 grew substantially to reach RMB166,580 million, representing an increase of 21.6 per cent. over the same period last year.

EBITDA and profit attributable to shareholders reached RMB89,814 million and RMB37,907 million respectively, representing an increase of 14.6 per cent. and 25.7 per cent. over the same period last year. EBITDA margin and margin of profit attributable to

shareholders were maintained at high levels among the peers of 53.9 per cent. and 22.8 per cent. respectively. Basic earnings per share reached RMB1.90, representing an increase of 25.0 per cent. compared with the same period last year.

Revenue from our value-added business continued to grow rapidly in the first six months of the year, reaching RMB41,915 million. This is 35.5 per cent. higher than the figure for the same period last year. In fact, today the value-added business accounts for 25.2 per cent. of the Group's total operating revenue, representing 2.6 percentage points higher than the same period of last year. At the same time, the continuous innovation of value-added products has laid a solid foundation for optimizing revenue structure, which also serves to drive the continuous revenue growth.

### **Business Development**

The first half of the year saw many encouraging developments. There was remarkable growth in the number of new customers, new business (value-added business) and new voice usage, which remain the driving force of our growth.

Our subscriber base continued to grow. As at 30 June 2007, the total number of subscribers had reached 332.378 million, representing a net increase of 31.146 million and an average monthly net addition of over five million.

Our value-added business also saw strong growth and it is now making an even greater contribution to our revenue. At the same time, careful adjustment of our pricing structure has helped to push voice traffic upwards and optimized the composition of voice usage, increasing the average minutes of usage per user per month (MOU) as well as total revenue. As at 30 June 2007, the total voice usage volume reached 828.815 billion minutes and MOU hit 440 minutes a month while average revenue per user per month (ARPU) was RMB88.

In 2007, the Group strengthened its continuous efforts in developing the rural market and driving the informationalization of those regions with our extended sales and services channels, strong brand recognition, superior network and large-scale integrated sales programs which enhanced the utilization of resources. In the first half of 2007, newly acquired customers from the rural areas represented half of all newly acquired customers.

Our Agricultural Information Service which provides rural customers with practical and real-time information via SMS, voice and the internet has gained popularity and in turn brought about further subscriber growth, aided retention of existing customers and boosted the usage of data services.

Looking at the value-added sector of the business, the first half of 2007 showed a strong performance in a number of areas, with the fast-growing Color Ring, WAP and MMS businesses becoming major revenue sources. Overall, the value-added business contributed 25.2 per cent. of total operating revenue.

The mobile music business has also grown significantly, with membership of the Mobile Music Club reaching 48 million. Our Mobile Paper news and information services also enjoyed robust growth and the number of paying subscribers rose to 15 million. The launch of Fetion, our instant messaging service, was well received and it now has approximately 38 million registered users.

These new products and services have become the engine for driving momentum and continuous revenue growth. Accordingly we intend to continue providing innovative value-added services based on a carefully defined strategic plan and build a good product development structure for the future.

We have also continued to enhance brand awareness, emphasize brand differentiation and enrich brand association. Through enhanced services tailored for targeted customer groups, the Company has strengthened overall brand management. Leveraging a clearer structure with three consumer brands GoTone, M-zone and Shenzhouxing, the influence of these consumer brands is widening and our corporate brand value is growing significantly with it.

In addition, during 2007 we further improved our customer services with the implementation of a customer services management system. We also launched the Sincere Services Satisfactory 100 program to improve customer service quality and enhance customer loyalty. At the same time, the Company strengthened its channel management and enhanced its sales services capability. We have leveraged different focuses including music and the Olympics to deploy innovative marketing campaigns which are in turn raising our market performance.

Naturally, as Chairman of China Mobile, I am proud of the fact that we are not only a premium brand, but also boast the world's largest mobile network and largest mobile subscriber base. In 2007, we responded to increases in peak-time voice traffic volume by carrying out network optimization using innovative management solutions and new technologies. These efforts are proving to be effective and we have been able to accommodate peak-time voice volume and at the same time raise utilization of network resources. Today, with granular network management and steady network operation benchmarks, our network population coverage has exceeded 97 per cent. in China. Our wireless connection rate is also world-class at 99.3 per cent.

Our global roaming coverage has also been expanding. As of the end of June 2007, our GSM global roaming services covered 224 countries and regions through 313 operators and our GPRS roaming services covered 148 countries and regions around the world.

### **Preparing for the Olympics**

Closer to home, China Mobile is the sole mobile telecommunications services partner for the 2008 Beijing Olympics. We intend to support this global sporting event in the true Olympic spirit of being the best. It will also offer a chance to enhance our corporate image and brand reputation. Accordingly, we have defined an Olympics strategy and established working groups. In the first half of 2007, the network implementation for the Olympic Games venues was on schedule and we have created three Olympic product lines targeting individual customers, the Beijing Organizing Committee for the Olympic Games, as well as corporate customers, and launched our first Olympic product. We will do our best to fulfill our commitment of providing the most advanced technology, the most abundant business and the most considerate service for the Beijing 2008 Olympic Games.

### **Management of the Company**

I am convinced that the strong performance we are seeing is due in part to the quality of our management. As a Group we are committed to developing and continuously improving this important resource.

In 2007, we carried out refinements designed to optimize our operational management systems. One example is the further implementation of the One China Mobile project which established a computerized central management system with standard operating procedures. The Group has also unified and strengthened the management of its subsidiaries.

Of course, management must also be accountable for its decisions and China Mobile is committed to setting high benchmarks for corporate governance with the establishment of a comprehensive internal control and risk management system. The Company has further enhanced and standardized its internal control framework to ensure the effectiveness of our compliance measures.

The independent auditor expressed an unqualified opinion on management's assessment of, and the effective operation of, the Company's internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act as of 31 December 2006.

The results of these initiatives have already been publicly recognized. In 2007, the Company was ranked 16th in the FT Global 500 by the *Financial Times* which a year earlier had ranked us only 38th. We were also placed 10th in the *BusinessWeek* global Info Tech 100 companies listing for 2007, the sixth year in a row China Mobile has been included. We were also ranked 5th in the *Financial Times* Brandz Top 100, the second time we have been included in this ranking. We were ranked No. 1 in the China division of *FinanceAsia's* Asia's Best Companies survey in the Best Management, Best Corporate Governance, Best Investor Relations and Best Commitment to Strong Dividend categories. For the third year in a row, we were voted No. 1 in the Universum Graduate Survey for Ideal Employer in China.

In July 2007, the credit rating agencies Moody's and Standard & Poor's upgraded our rating to A1/Stable Outlook and A/Positive Outlook respectively.

### **Corporate Responsibility**

Corporate responsibility (CR) is one of China Mobile's core values. Our philosophy of Responsibility makes Perfection is built on the belief that CR is something that not only delivers benefits to the community, but in the long run makes for a better company.

In addition to the establishment of a corporate responsibility management structure, the first half of 2007 also saw the formulation of a work plan for 2007-to-2009 based on our first Corporate Responsibility Report. The work plan will help us continue the effective and consistent implementation of corporate responsibility management initiatives.



The theme of our corporate responsibility program in 2007 is Harmony and Growth. In simple terms this means balancing the goal of corporate growth against the desire to help communities develop while also preserving the natural environment. With this objective in mind, we have made great strides in promoting informationalization in rural areas, caring for the poor, actively participating in disaster relief as well as encouraging education and helping communities grow. And I am convinced we are making a difference in people's lives.

Examples include helping our parent company to implement the Village-Connected Project to eliminate the digital divide. We also continued endowment projects for primary and secondary education in less developed areas in central and western China. And, last but not least, we expanded the Green Box Environment Protection handset and accessory recycle program.

### **Dividends**

China Mobile holds the interests and the return on investment of its shareholders, particularly its minority shareholders, in the highest regard.

After reviewing the favorable operating results in the first half of 2007 as well as long-term development plans, the Board has resolved to pay an ordinary interim dividend of HK\$0.837 per share for 2007 in accordance with the 2007 dividend payout ratio plan.

In addition, whilst the interim profit and dividend per share continue to grow favorably, the Board is recommending the payment of a special dividend for 2007 to accommodate the effect of the revision of assets' estimated useful lives on profit attributable to shareholders. The special interim dividend for 2007 is HK\$0.085 per share.

The Board and I are convinced that the Company's strong cash flow is capable of supporting the investments required to maintain strong and stable growth, while also providing shareholders with a favorable cash return. To that end, the Company will continue its efforts to steadily increase dividend yield in the long term in order to generate the best possible returns for shareholders.

### **The Future**

The combination of continued rapid growth in China's economy, rising consumer purchasing power, the development of the rural economy and the acceleration of informationalization throughout the country make one thing clear—the future of China Mobile looks bright.

Demand for mobile communications in China is tremendous and growing fast. Technical advances are driving moves toward convergence, which in turn creates challenges in the adoption of new technologies and new business concepts.

China Mobile is well placed to meet these challenges and maintain its leading position, further optimizing our competitive edge, enhancing management, developing talent and cultivating our established corporate culture. Today, we are adept at leveraging our innovations to face changes in the business environment and reinforcing our strategic positioning as the Mobile Information Expert.

In the second half of 2007, we will continue to focus on exploring rural markets, expanding value-added services and optimizing our network to provide strong support for future growth.

As a Group, we seek a sound, balanced and sustainable development. We intend to enhance our overall strengths in areas such as corporate culture, brand awareness, and corporate responsibilities. These are important initiatives that will in turn increase the Group's public position, influence the industry and maintain a favorable, sustainable business environment.

The Group is already preparing for the future, readying ourselves for the introduction of the new generation of mobile telecommunications networks. We are also closely monitoring new business models and product innovations in order to find ways of maintaining momentum.

However, fundamentally, our focus remains unchanged to maintain a solid, long-term business foundation with the goal of creating better returns for our investors.

**Wang Jianzhou**  
*Chairman and Chief Executive Officer*

Hong Kong, 16 August 2007

## UNAUDITED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2007

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2007	2006
		RMB million	RMB million
<b>Operating revenue (Turnover)</b>	4		
Usage fees		107,661	87,806
Monthly fees		10,176	12,867
Value-added services fees		41,915	30,926
Other operating revenue		6,828	5,380
		166,580	136,979
<b>Operating expenses</b>			
Leased lines		1,180	1,230
Interconnection		10,488	8,946
Depreciation		34,938	34,542
Personnel		8,667	7,990
Other operating expenses		57,802	42,417
		113,075	95,125
<b>Profit from operations</b>		53,505	41,854
<b>Other net income</b>		1,264	1,847
<b>Non-operating net income</b>		248	179
<b>Interest income</b>		1,709	1,123
<b>Finance costs</b>		(855)	(610)
<b>Profit before taxation</b>	5	55,871	44,393
<b>Taxation</b>	6	(17,906)	(14,187)
<b>Profit for the period</b>		37,965	30,206
<b>Attributable to:</b>			
<b>Equity shareholders of the Company</b>		37,907	30,168
<b>Minority interests</b>		58	38
<b>Profit for the period</b>		37,965	30,206
<b>Earnings per share Basic</b>	8(a)	RMB 1.90	RMB 1.52
<b>Earnings per share Diluted</b>	8(b)	RMB 1.87	RMB 1.51
<b>Dividend per share</b>	7(a)		
<b>Ordinary</b>		HK\$ 0.837	HK\$ 0.62
<b>Special</b>		HK\$ 0.085	HK\$ 0.09
<b>EBITDA (RMB million)</b>		89,814	78,343



**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***for the six months ended 30 June 2007**(Expressed in Renminbi)*

	Attributable to equity shareholders of the Company PRC							Total RMB million	Minority interests RMB million	Total equity RMB million
	Share capital RMB million	Share premium RMB million	Capital reserve RMB million	General reserve RMB million	Exchange reserve RMB million	statutory reserve RMB million	Retained profits RMB million			
At 1 January 2007	2,130	383,807	(292,634)	72	(43)	66,961	158,709	319,002	371	319,373
Shares issued under share option scheme ( <i>Note 16</i> )	3	1,154	(245)					912		912
Dividend approved and paid during the period ( <i>Note 7(b)</i> )							(16,267)	(16,267)		(16,267)
Equity settled share-based transactions			453					453		453
Profit for the period							37,907	37,907	58	37,965
Exchange difference					(300)			(300)		(300)
At 30 June 2007	2,133	384,961	(292,426)	72	(343)	66,961	180,349	341,707	429	342,136
At 1 January 2006	2,116	379,240	(294,410)	72		53,395	132,411	272,824	283	273,107
Shares issued under share option scheme	6	1,556	(239)					1,323		1,323
Dividend approved and paid during the period ( <i>Note 7(b)</i> )							(11,719)	(11,719)		(11,719)
Equity settled share-based transactions			1,272					1,272		1,272
Profit for the period							30,168	30,168	38	30,206
At 30 June 2006	2,122	380,796	(293,377)	72		53,395	150,860	293,868	321	294,189

**UNAUDITED CONSOLIDATED BALANCE SHEET**

at 30 June 2007

(Expressed in Renminbi)

	<i>Note</i>	<b>Unaudited At 30 June 2007 RMB million</b>	<b>Audited At 31 December 2006 RMB million</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	228,663	218,274
Construction in progress	9	57,004	52,436
Land lease prepayments		7,743	7,675
Goodwill		36,894	36,894
Other intangible assets		601	700
Interest in associates			
Other financial assets		77	77
Deferred tax assets		9,269	7,113
		<b>340,251</b>	323,169
<b>Current assets</b>			
Inventories		2,771	3,007
Accounts receivable	10	7,461	7,153
Other receivables	11	3,216	2,500
Prepayments and other current assets		4,823	4,613
Amount due from ultimate holding company	12	307	305
Tax recoverable		158	468
Deposits with banks		81,552	82,294
Cash and cash equivalents	13	103,719	71,167
		<b>204,007</b>	171,507
			&