

Striving for Perfection

China Mobile satisfies the world's largest subscriber base by providing state-of-the-art services



Customer Objective

- Build the brand of a leader in mobile telecommunications market of China
- Reduce OPEX and CAPEX, and increase the ARPU
- Provide final users with better services and experiences

Huawei Solutions & Strengths

- The largest wireless IN system in the world
- The largest SMS solution in the world
- Overall RBT service solution
- End-to-end universal downloading platform solution
- Customized business consulting service

Benefits

- China Mobile's SMS revenue reached over CNY25 billion RMB yuan
- Revenue from ring back tone services rocketed to CNY2.6 billion RMB yuan
- China Mobile's three brands like GoTone, Easyown and M-Zone gained wide market recognition

China Mobile Limited ("China Mobile" for short), of which China Mobile (HK) Group Limited is the major shareholder, set wholly-owned subsidiaries in 31 provinces (autonomous regions and municipalities directly under the central government) in China and went public in Hong Kong and New York Stock Exchanges. Currently, in terms of its market value, China Mobile Limited is the largest among all the overseas listed Chinese companies and among all the telecom carriers in Asia.

By the end of 2006, the total subscriber base of China Mobile was over 296 million with the market share of 65%.

With "Responsibility Makes Perfection" in mind, China Mobile strives "becoming a worldwide leader in the telecommunications world and achieving leapfrog evolution from excellence to preeminence".

Short Message Solution in China

From the end of 2000 to the beginning of 2001, China Mobile gradually opened short message service functions for subscribers across China. By the end of 2002, the number of short messages sent by subscribers each year had reached 58 billion. By the end of 2006, this figure had even amounted to 300 billion, with 2/3 traffic carried by Huawei's equipment.

During the Spring Festival each year, sending greeting short messages has become a fashion. The traffic explosion during the Spring Festival in 2006 marked the beginning of large-scale application of short message services among the great masses. The SM peak traffic

reached 11, 000 P/S, ratios of successfully submitted and delivered was always over 97% during the festival.

As early as in 2001, rings and pictures supported by mobile phones started to become fashionable, and the value of short messages was brought to full play. Thousands of SPs entered the value chain of short messages, tens of thousands of types of short message services flourished, and short message services entered a phase of explosive growth. Viewed on a monthly basis some users even spent more on short messages than on voice calls.

RBT bringing China Mobile to music era

On May 17, 2003, China Mobile started the RBT free tryout in Shanghai branch based on Huawei IN platform. During the tryout, 5,000 subscribers registered the service everyday. When the 3-month free tryout ended, more than 80% subscribers continued using the RBT service. After this tryout, RBT service was expanded to the other branches of China Mobile in no time. By June 2006, RBT subscribers of China Mobile had become 0.13 billion, which was 121.6% year-on-year and became one of the fastest development services. The market penetration rate grew from 25% in the first half of 2005 to 50%. In the first half of 2006, RBT brought revenue of RMB 2.642

billion to China Mobile, which was 30% of the total revenue from all voice value-added services.

China Mobile expanded gradually its music services from the RBT service on. In 2005, Huawei built a central music platform for China Mobile, which interacted with RBT platforms in 31 provinces. In this way, the "1+3" mode is formed and China Mobile music content distribution network was built. A unified access mode is provided externally by 12530. Since then, the wireless music of China Mobile gained a powerful network and platform support. Various wireless music services created by China Mobile developed even more rapidly. In May 2005, China Mobile launched the wireless music tops based on subscription and download. On July 18, 2006, China Mobile announced the setup of wireless music club. The club is a brand-new music experience community based on the central music platform and provincial RBT platforms. It provides one-stop music consumption and entertainment services for China Mobile subscribers, such as music download, music sharing, music spreading, and music communication.

Universal downloading platform supporting data service blowout

Along with the coming 3G era, service competitions became even fiercer and subscriber requirements on data services were boosting. In this case, China Mobile expected to expand the original platform to the universal downloading platform to support various download services of the global network. From April 2006, Huawei used two months for upgrading the original version; thus, implementing powerful download cluster networking and the interconnection of the platform and systems of multiple vendors, such as Google. Currently, the platform bore Game, Business and Entertainment with more than 2000 services and managed over 200 partners. By April





2007, the registered system subscribers were over 70 million.

The universal downloading platform, based on Huawei advanced telecom application environment (ATAE) hardware platform, can save effectively the space of operator's equipment room, reduce the construction cost of the platform, and make the operator's network easy to be managed. Huawei general download solution has the feature of component loose coupling. You can deploy components according to the service development needs and implement the smooth upgrade of download network capability. This feature ensures the service development of the operator in the future.

Mutual-Aid strategic partner

As the strategic partner of China Mobile, Huawei offers constructive suggestions for new service planning, service innovation, value chain partner, and operation and organization transformation of operation policy.

Based on IN, SMS, RBT and digital music platform, Huawei carries out the market analysis with China Mobile and helps China Mobile create GoTone, Easyown and M-Zone customer brands.

The three brands aim at different customer groups, and adopt the market, business, service and channel isolated mode to allow different customer groups enjoy different services.

GoTone aims at the 15% high-end customers. It takes service and feedback as the main drive. GoTone VIP planning aims at even higher end users.

Easyown aims at 60% mass customers and takes the tariff as the main drive. The tariff is open and the pricing is flexible.

M-Zone aims at the 25% young customers and takes new services and tariffs as the main drive. It keeps the brand novelty and offers conveniences to potential customers with a long online duration.

Milestones

- In 1999, Huawei constructed the world's largest wireless intelligent network for China Mobile.
- From 2000 to now, Huawei has built 60% of the short message service center (SMSC) for China Mobile and the one in Guangdong province is the world's largest.
- In August 2006, China Mobile adopted Huawei general download platform to replace the original one and commercialized the platform formally.
- Up to May 2007, Huawei's ring back tone services have been enjoying popularity among 160 million subscribers of China Mobile in twenty provinces in mainland China.