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Images as mediating texts in annual reports: the case of China Mobile

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Findings: The study finds that visual discourse in annual reports constitutes and sustains competing ideological messages. The competing connotations are then mediated and naturalised through juxtaposing image with different context in which the annual report is put forward.

Originality/value: The application of Critical Discourse Analysis provides a useful framework for future studies of visual images in annual reports. The conflation of Davison's (2010) rhetorical codes, the Chinese cultural beliefs, and the cognition of colour adds to the understanding of the socio-political significance of visual discourse in accounting.

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Keywords annual reports, critical discourse analysis, visual images, China Mobile

Paper type Research paper
1. Introduction

Images as texts in accounting documents not only reflect technical information, but reveal and mediate constituents’ competing cultural and jurisdictional premises. Annual reports are accounts given as narratives, surrounded by graphs and pictures which ultimately “frame and frequently eclipse the technical accounting content” (Davison, 2010, pp.166-7). Consequently, the use of images in annual reports is worthy of critical investigation (Davison and Skerratt, 2007), with annual reports remaining under-researched as documents of codified discourse (Hopwood, 1996; Llewellyn and Milne, 2007). This study therefore explores the 2010 annual report of a leading global telecommunication firm (China Mobile Limited), and examines how images mediate financial narratives between occidental and oriental audiences.

A Critical Discourse Analysis (CDA) (Fairclough, 1993) is undertaken in this study to reveal the ways in which social, cultural and political connotations are produced and reproduced. It is argued that a CDA framework is used to investigate the contextualised meanings of discourse at three levels: public discourse, discourse practice, and social practice. More specifically, at the public discourse level, the symbolic messages within the visual texts of annual reports are explored with particular reference to three areas of interest: (1) Davison’s (2010) four rhetorical codes (physical, dress, spatial, and interpersonal); (2) the two Chinese cultural beliefs (Confucianism and Taoism); and, (3) the use of colour in Chinese tradition. The social practice elements comprise the historical development and the internal governing structure of China Mobile. Although there are distinctions and overlaps exhibited from the visual images between the public discourse and social practice analyses, a dual image of the firm can then be examined at the level of discourse practice. According to Fairclough (1993), the discourse practice analysis explicates how competing messages are mediated, naturalised, constituted and sustained by different discursive processes in which the discourse is distributed and consumed. This gives rise to a considerate of the differing discursive processes that China Mobile locates and distributes its annual reports for alternate audiences. In so doing, not only do we explore the dual socio-political influences that both the socialist political regime (i.e. the Chinese government) and the neo-liberal market economy (Zhang et al., 2012) have upon the visual images within accounting annual report, we also explain how the visual images, in turn, constitute and sustain the competing ideological messages.

As such, this study contributes to the extant literature by applying CDA as the methodological framework in studying visual discourse in accounting annual reports. Analytical tools are adopted from not only the artistic discipline such as the rhetoric device of antithesis (Davison, 2002) and repetition (Davison, 2008), and Davison’s (2010) four rhetorical codes (physical, dress, spatial and interpersonal); but also the Chinese tradition including two dominant ideological beliefs (Confucianism and Taoism) and the use of colour
in the context of China. This offers a new insight for future studies of visual images in which contextualised messages are considered and applied.

The remainder of the paper is organised as follows. The next section elaborates the background accounting literature. Section three illustrates the methodological approach. In section four, a critical discourse analysis of China Mobile’s 2010 annual report is conducted, including three levels of analyses—public discourse analysis; social practice analysis, and; discourse practice analysis. Based on our analyses, three sets of competing representations are put forward: (1) corporate identities between global and the local (i.e. Chinese); (2) corporate governance styles between democracy versus dictatorship; and (3) comparative positions of shareholders, stakeholders, and stateholders. Finally, section five pulls the arguments together and provides concluding remarks.

2. Background literature

It is often said that a picture is worth a thousand words. However, until recently, the extant literature on the implications of visual images in accounting annual reports has been sparse with a few notable exceptions. For example, Graves et al. (1996) consider the rhetorical use of the visual designs for annual reports as a powerful tool for communication and persuasion. Preston and Young (2000) also note the reflective and constitutive role of visual images in the annual reports of multinational corporations in a global context. Drawing from artistic disciplines, Davison (2002) demonstrates the rhetorical use of antithesis in the visual images via the annual report of Reuters, depicting the corporate image by the presentations between strands of old versus new, stability versus dynamism, and Europe versus USA. In another study, Davison (2008) illustrates the use of repetition as another form of rhetoric in annual reports that supplement conventional accounting statements and thus emphasises intangible assets and corporate identity. Furthermore, based on the four visual portraiture codes—physical, dress, interpersonal, and spatial, Davison (2010) develops an interdisciplinary framework for identifying intangible assets from visible images of modern corporations. On the theoretical front, Davison (2011) explores the research potential from the work of Roland Barthes (1977) in the studies of both accounting communication in general and visual images of professional accountancy in particular.

Since rhetoric is “not simply to embellish, but also to influence or even engender patterns of reading and thinking” (Davison, 2002, p.594), then the question becomes what kind of messages that the rhetoric of visual images aims to persuade. For many critical accounting researchers, the answer is ideology. For instance, Tinker and Neimark (1987) analyse the annual reports of General Motors and argue that the reports were deliberately designed as “ideological weapons aimed at influencing the distribution of income and wealth, in order to ensure the company’s continued profitability and growth” (p.72). Similarly,
Macintosh’s (1990) study demonstrates how pictures of women and men produced in annual reports are used to construct and reconstruct the role of women in a workplace. Preston et al. (1996) explore different meanings conveyed by visual images through three theoretical perspectives—interpretivist, neo-Marxist, and postmodernist, and argue that such studies can “open a critical dialogue about corporations and their roles within our contemporary society” (p.135). Hui and Rudkin’s (2010) longitudinal study of HSBC’s annual reports also sheds light on the role played by the visual discourse therein in Hong Kong’s ideological changes.

Also noteworthy is the special issue of *Accounting, Auditing and Accountability Journal* (2009, vol.22 no.6) that offers more insight into the use of visual perspectives on accounting and accountability (Justesen and Mouritsen, 2009; Campbell *et al*., 2009; Davison and Warren, 2009).

This current study which explores the socially reflective and constructive nature of visual images in annual reports in the Chinese context rests on the previous work elucidated above. In particular, Davison’s (2002, 2008, 2010) analysis of the rhetorical power of visual images (i.e. antithesis, repetition, physical, dress, interpersonal, and spatial) will be considered. Moreover, the ideological role that visual discourse plays in the Chinese context will also be investigated, in connoting both a socialist identity politically and a neo-liberal character economically to different readerships (Chinese vs. Western). To further illustrate how this study is carried out, the following section discusses CDA as a methodological approach.

### 3. Critical Discourse Analysis as Methodology

To explore the social, cultural, and political ramifications of visual images in annual reports, Critical Discourse Analysis (CDA) is adopted as the methodology of the study. It is an interdisciplinary approach that views language as a form of social practice and focuses on the ways social, cultural and political signs are reproduced by text (Fairclough, 1995). CDA is “fundamentally concerned with analysing opaque as well as transparent structural relationships of dominance, discrimination, power and control as manifested in language” (Wodak, 2001, p.2). Hence, CDA requires detailed analyses of both the discursive event *per se* as well as the underlying social context, making explicit the implicit and dialectical relations between public discourse and social practice (Cortese *et al*., 2010). Before proceeding to the specific analytical procedures of CDA, according to Chouliaraki and Fairclough (2010), the notions of ‘critical’, ‘discourse’ and ‘analysis’ must first be interpreted in contingent ways within this research endeavour, “rather than being contained by a universalist procedure of strict and continuous explications” (ibid, p.1217).

First, the term ‘critical’ sees the power of discourse understood with reference to its context which has been, in turn, shaped and legitimised by that power (Leitch and Palmer, 2010; Chouliaraki and Fairclough, 2010). While the specific definition of CDA’s critical attitude is contested terrain (Billig, 2003), and subject to various interpretations: “some
adhere to the Frankfurt school, others to a notion of literary criticism, (and) some to Marx’s notions” (Wodak, 2001, p.9), suffice to our study, we adopt Neimark’s (1990) interpretation of ‘critical’ as situating accounting and thus the visual images in annual reports as a product of and a contributing factor to both a socialist political regime of the CPC and an emerging globalised market economy.

Second, we embrace a broader notion of ‘discourse’ as a site of struggle and a form of social practice which “constitutes, naturalizes, sustains and changes” the social structure (Fairclough, 1993, p.67). It involves “conversational interaction, written text, as well as associated gestures, face work, typographical layout, images and other ‘semiotic’ or multimedia dimension of signification” (van Dijk, 2001, p.98). The discourse relevant to our study refers to the visual images in a joint arena of accounting and visual imagery within the contemporary socio-political and economic landscape of China.

Third, the ‘analysis’, following Chouliaraki and Fairclough (2010), is to “focus not just upon discourse as such, but on relations between discursive and other social elements” (p.1215) (emphasis in original). Specifically, Fairclough (1993) proposes a three-dimensional framework for analysing the dialectical relationship among the three elements, viz., public discourse, discourse practice, and social practice: public discourse refers to the text per se; social practice purports to the context in which the text is put forward, and; discourse practice concerns the “process of text production, distribution, and consumption” (Fairclough, 1993, p.78) and explores the “connections between the nature of the discourse processes in particular instances, and the nature of the social practices they are a part of” (ibid, p.80). As such, this three-layer framework renders a critical examination (i.e. discourse practice) of the dialectical relation between the text (i.e. public discourse) and its underlying social structure (i.e. social practice), bridging an indirect and interactional link “between the local and the global, between the structures of discourse and the structures of society” (van Dijk, 2001, p.117).

3.1. Public discourse

With regard to this study, the public discourse analysis involves a detailed analysis of visual images portrayed in the 2010 annual report of China Mobile. In interpreting the symbolic messages from visual discourse at this level, three areas of the visual discourse are considered: (1) Davison’s (2010) four rhetorical codes—physical, dress, interpersonal, and spatial, (2) the socio-political significance of the two classical thoughts—Confucianism and Taoism, and (3) the cultural and political use of colour. In what follows we will briefly justify the use of these aspects.

*Davison’s (2010) rhetorical codes and connotation*
The rhetorical codes stem from Davison’s (2010) interdisciplinary study drawing from art theory. The first code concerns the “physical appearance” (Davison, 2010, p.171) including individual’s physiognomy, identity, and stature, which indicates personal charisma and business success. The second code, dress, connotes individual’s cultural and social status in that one’s social status is reflected in what she or he is wearing (p.171). The third code refers to “interpersonal messages of bodily movement and expressive signals towards others” (ibid, p.171). The fourth code is “the spatial artefacts and setting of the portrait” (p.171).

_Ideological connotation: Confucianism and Taoism_

As discussed earlier, there exist, in the CDA framework, dialectical relationships (implicit and explicit) between text and its social context (Fairclough 1993): while the former reflects the latter, the latter is also influenced by the former. Therefore, in addition to the rhetorical forms, it is necessary to further explore the socio-political and ideological values embedded within the visual images. Insofar as the Chinese context is concerned, the two major philosophical beliefs and the cultural use of colour are considered as follows.

_Confucianism_

Confucius (551-479 B.C.) is perhaps the most influential scholar in Chinese culture, and Confucianism has shaped the ideology of Chinese society and elsewhere in East Asia. His classical text _Lun yu_ (known in English as the _Analects_) had been one of the major subjects for the civil service examination system in China’s feudal system for generations (Jenkins, 2002). The two main tenets of Confucianism are loyalty and filial piety: while loyalty requires members of society the absolute obedience according to the hierarchical relationships, filial piety too assigns a hierarchical order inside families (Wang, 1991). In short, Confucianism teaches people how to become a good citizen. As such, for thousands of years, Confucianism served as a tool to legitimate and sustain the order of the feudal society. While the belief was silenced and abandoned in several decades of the 20th century, particularly during the Cultural Revolution, when it was regarded as a class-tool deployed by the ruling class against freedom and democracy, today we have witnessed the revival of Confucianism in China’s society, albeit with similar political purposes. That is, while the Cultural Revolution used the word ‘Confucius’ as a label to attack the political right including primarily the intellectuals, the Communist Part of China (CPC) nowadays embraces Confucianism and particularly the idea of obedience as a tool legitimising its political system, since “Communism has lost its capacity to inspire the Chinese” (Bell, 2010b, p.91). In addition, Confucianism has been strategically promoted by the CPC by the Confucius Institutes overseas which disseminate Chinese language and culture, and cultivate research interests regarding Confucianism to the rest of the world (Bell, 2010a).

_Taoism_
In addition to Confucius, Lao Tzu (571-471 B.C.), a contemporary of Confucius and the founder of Taoism, has also significantly influenced Chinese culture and especially the political ideology to date with his classical book Tao Te Ching. Unlike the Analects which focuses on the humanistic philosophy and socio-political doctrine (Yang, 1961), Taoism is more interested in the metaphysical level of the Tao and develops some insight at the prescriptive level informed by the Tao (Jenkins, 2002): at the metaphysical level, Tao is viewed as the mother of all things, the eternal order of nature and universe (Jin, 1999); at the prescriptive level, the derived meaning of Tao also considers the rule of conduct concerning how to follow the Tao in the physical world. Specifically, the core value of Tao at the prescriptive level can be summarised into two words as “wu-wei”. Literally, this means non-action. Yet the philosophical meaning holds that if everything against the natural order could be stopped, then cosmic harmony would be achieved effortlessly (Needham, 1956). In a political sense, the Tao teaches people how to become qualified to govern the state. Indeed, Taoism served as an imperial philosophy as early as the Tang dynasty (618-907 A.D.). Similar to the wide influence of Confucius to date, the Taoist perspective has also gained socio-political significance in contemporary China. Government officials have been using “wu-wei”—Taoist central tenet as a philosophical guidance towards “the construction of a harmonious society”, the ultimate goal on the political agenda of the CPC (Fan, 2006). From a macro-economic perspective, “wuwei” is also a “psychic symptom of neo-liberal capitalism” (Wenning, 2011, p.54) that has been guiding China’s opening reform policy: when government intervention is decreased and close to non-action, increasing privatisation helps establish the free market flourish.

Use of colour and connotation

The use of colour also plays a cultural and political role in analysing visual discourse (Preston et al. 1996; Chan and Courtney 2001; Davison 2002). Throughout China’s history, colour has been deployed by ruling classes over the years as a political tool inflicting social domination and alienation. For more than two thousand years, colour took on a vital role in sustaining the feudal system in China: certain types of colours were only reserved for emperors and their immediate families as symbols of the imperial power. For instance, red and black were deemed to be the colour of ultimate power as reflected on the emperors’ robes in Qin dynasty (221-207 B.C.). Another example is the traditional name for the Forbidden City, the imperial palace for Ming (1368-1644) and Qing (1644-1912) Dynasties, as the Purple Forbidden City which symbolises the exclusive use of purple by the ruling power. The architecture style of the Forbidden City also reflects the royal value of two colours in that the glazed roofs and the outer walls inside the City were painted yellow and red respectively. In addition to the colours for royal families, there were also the ranking systems of noblemen
and government officials based on the colours they were assigned to wear: colour became “an extension and reflection of power” (Yau, 1994, p.151).

Apart from the ruling classes, ordinary people were also distinguished by colour. The royal colours including red, yellow, and purple were forbidden to the general public who would otherwise be regarded as nonconformists and lawbreakers, except for special occasions such as weddings or other celebrations where the hosts wear red to share the fortune with the emperor. Consequently, normal citizens could only dress in humble hues in a way that colour “diminished individual importance, minimised personal emotions and quelled any possibility of rebellion” (Yau, 1994, p.156).

The restriction of colour was also evidenced in the sartorial landscape of the revolutionary days of the CPC. Specifically, colour was used in the form of “gender erasure” (Wallis, 2006, p.97): men and women, whether factory workers or part cadres, dressed in the “Mao suits of navy blue, khaki green, or grey” (Chen, 2001, p.143) to represent the universalised models of the working class. Alongside the opening reforms since the 1980s, the freedom of colour expression became available to the public, symbolising the ideological shift from the centrally-planned economy to the free market economy. However, this is not to say that nowadays colour operates in a political vacuum; it is to indicate that the different political roles are still played by colour in China, however radical the changes in China’s ideology may be (Jacobs et al., 1991).

To conclude, from traditional feudal era through to evolutionary days and into the modern society, the Confucian and Taoist ideologies have always been deployed by the Chinese government as political tools. The cultural interpretation of colour also takes active roles under different political regimes. Therefore, our public discourse analysis will take these rhetorical and the ideological connotations into consideration.

3.2. Social Practice and Discourse Practice

Since the visual discourse comes from the annual report of China Mobile, our social practice analysis then focuses on the historical background and the internal governing structure of China Mobile in particular and the institutional arrangements of the Chinese telecommunication industry in general. Having explored the public discourse and the underlying social practice, the discourse practice analysis is carried out based on the findings of the first two analyses. It investigates how the annual reports of China Mobile (as public discourse) is produced, distributed, and consumed by the two different readerships (i.e. Chinese/ foreign).

Following our illustration of CDA as the methodology, this section consists of three analyses—public discourse analysis of China Mobile’s 2010 annual report; social practice analysis of the historical background and organisation structure of China Mobile, and; discourse practice analysis of how the public discourse (i.e. annual report) is produced, distributed, and consumed by different groups of audience.

4.1. Public Discourse Analysis

As illuminated earlier, the analysis at this level will consider both the rhetorical (Davison, 2010) and the ideological (i.e. Confucianism, Taoism, colour) messages stemming from the visual images in China Mobile’s 2010 report. For simplicity, the following analysis is divided in seven themes that constitute most of the visual discourse in the report: (1) the ocean waves on the front cover; (2) water as the main theme of the visual discourse; (3) the range of colours featured; (4) the presentation of awards and recognitions; (5) the biographies of directors; (6) dialogue with management; and (7) cover pages of the “Financial Review”. Concluding remarks will then be drawn based on the findings above.

4.1.1. The ocean waves on the front cover

On the front cover of its 2010 annual report (see Figure 1), China Mobile depicts two strands of ocean waves moving dynamically toward the same direction (from the left to the right-hand side), while featuring a montage of icons of the company’s new products and applications.

(Figure1 here)

At first glance, it appears that the waves featured in the front cover (see Figure 1) are divided into two parts, each representing old and new, past and present, disruptive and sustaining mobile technologies. The small logos which float on the upper wave and resemble the shape and concept of sea foam, as explained later in the report by the company, represent a series of smart phone applications, symbolising “a wide variety of products and applications to meet the different needs of...customers” (China Mobile Limited Annual Report, 2010, p.1). The lower wave within which the 3-G (the third generation mobile telecommunication) logos are bubbling orchestrates itself as a vital platform on which creative ideas and innovations can be developed.

Turning to the pages inside, it is found that these two ocean waves actually move beyond the opening pages and has appeared on pages 3 to 12, 16 to 19, 26 to 27, and 38 in the report. According to Davison (2008), this repetitive use of ocean waves with the frequent use of blue colour in the linguistic, graphical and numerical texts through the report may play a rhetorical role “as part of a communication strategy to emphasise the existence of intangible
assets” (p.792) which, in the case of China Mobile, refers to its ‘Blue Ocean Strategy’ in general and its 3G technology and the newly launched applications in particular. According to Yeung (2007), China Mobile recently adopted the Blue Ocean Strategy to direct the firm towards new market segments, however remote those areas may be, in order to increase customer base and usage. As such, by incorporating the blue ocean theme into the annual report, this pictorial discourse has not only emphasised the firm’s general business strategy but also connoted the strategy visually as an important value adding element yet to be recognised.

In relation to the 3G technologies, the contrasting and yet complementary representations of the upper and the lower waves establishes an innovative image where the smart phone applications and services on the upper wave are depicted as a direct result of the intense agitation among lower waves of the 3G technology. Further, with a closer look at each individual icons, it can be argued that the repetitive appearance of icons with identical size and yet filled in with different applications indicates the firm’s dynamic progress which, according to Davison (2008), overcomes the temporality of a one-year only annual report, conveying a sense of “re-creation” and “re-invention” (p.801).

4.1.2. Usage of water as the main theme in the annual report

Having explored the symbolic meanings of the ocean waves from the rhetorical, and the corporate strategic perspectives, another question is a cultural one—how the theme of the waves, or to be more precise, of the water is connoted in the Chinese tradition.

The first and perhaps the most commonly held view on the signification of water in the Chinese culture comes from Taoism. Specifically, the classical text for Taoist philosophy, the Tao Te Ching depicts water as representing the highest form of goodness in that

The highest form of goodness is like water.
Water knows how to benefit all things without striving with them.
It stays in places loathed by all men.
Therefore, it comes near the Tao.
(Chapter 8, trans. Wu, 2003, p.17)

In other words, water “nourishes rather than rivals with everything” (Ge and Yang, 2004). As such, it is regarded as an ideal state for everything since it behaves according to the Tao, the “mother of all things” (Jin, 1999, p.34). In our case here, the counterpart for the Taoist interpretation can be reflected in the front cover picture (see Figure 1): the floating foams and bubbles are the product, or, more metaphorically, the offspring of the mother water (i.e. the company). Through portraying China Mobile as the most virtuous on which its various mobile applications and services thrive, it gives the impression that the firm would act like water so as to benefit all types of stakeholders and avoid conflicts among them. In addition, the corresponding social recognition and corporate legitimacy are obtained as though the firm in no way exploit but contribute to a harmonious society.
In addition to kindness, the flexibility and potentiality of water are also suggested by *Lao Tzu* (Chapter 78, trans. Wu, 2003, p.175). Since water never competes but nurtures everything, there is nothing softer and weaker than water in the entire world: unlike the hard and strong, it goes everywhere, starting from small creeks, meandering through to rivers and lakes, and finally flowing into the ocean. More significantly, water, in its softest form, even overcomes the hardest and strongest forms of substance in the natural world, according to the example referred to by Lao Tzu that “the constant dripping of soft water wears holes in hard stone” (Wang, 1991, p.29). Thus, the analogy echoes with China Mobile’s corporate strategy as informed by the ‘Blue Ocean Strategy’ that overwhelms and penetrates all potential future markets in much the same way as a drop of water becomes a boundless ocean.

Apart from the kindness, flexibility and continuity as suggested by Taoism, the second cultural interpretation of water that is also commonly held stems from Confucianism. In the *Analects of Confucius*, water is characterised as a symbol of wisdom that the Master said, ‘The wise find joy in water; the benevolent find joy in mountains. The wise are active; the benevolent are still. The wise are joyful; the benevolent are long-lived.’ (Book VI, trans. Lau, 1979, p.84)

Moreover, this type of wisdom was explained by Confucius as to

...‘(k)now your fellow men.’ ... (and) ‘(r)aise the straight and set them over the crooked... (which) can make the crooked straight.’ (Book XII, trans. Lau, 1979, p.116)

As such, for Confucius, wisdom is about understanding people: selecting the righteous and competent, and distancing the evil and incompetent. Once this system has been built, even the evil will become moral; the incompetent will try to lift themselves to the capable.

To summarise the cultural connotation of water so far, whilst Taoism interprets water as the most benevolent and flexible, Confucianism perceives wisdom and its derived meaning of democracy from water. Thus, not only the corporate legitimacy and sustainability which are informed by the Taoist thought, the company, through the visual discourse of water, also conveys a sense of democratic management via the Confucian elucidation about water and wisdom. Moreover, the ideological connotation of water is further emphasised by the repetitive appearance of the water themes on pages inside the report (e.g. pages 3 to 12, 16 to 19, 26 to 27, and page 38), rhetorically reflecting the firm’s corporate identity as connoted by Taoism and Confucianism.

4.1.3. Use of colour for background image

The third theme relates to the range of colour displayed on most of the visual images in the report. This is because not only does colour evoke emotional feelings (Ou *et al.*, 2004), but the kinds of colour cognition also vary as *per* different contexts (Jacobs *et al.*, 1991; Ning and Bone, 1995; Chan and Courtney, 2001; Xie *et al.*, 2008). This is especially so in the
Chinese tradition where colour has been utilised for thousands of years as a political tool by the ruling class to impose social domination and alienation (Yau, 1994).

Turning our attention on the theme of the ocean waves throughout the report, instead of using the culturally embedded colours like red or yellow, the waves and the accompanying sea foams are filled in with seven colours (see Figure 1): red, orange, yellow, green, indigo, blue and purple. A rainbow would then be the image that first comes to mind when people are exposed to these colours, and which generally conveys a sense of nature and harmony (Yau, 1994). Thus, such a combination of the seven colours blurs the demarcation between the ruling class and the ruled, as well as culturally distinctive interpretations of colour between the East and West, successfully concealing the traditional hierarchical ranking of colour, and thereby delineating a globalised corporate imagery without any local identity.

Nonetheless, this does not mean that the colour expression in the report is without the Chinese cultural connotations. As “the country (China) has always been shaped by an intense sense of tradition that dictated the use of colour” (Yau, 1994, pp.154-155), and also because the cultural influence is too strong (Melewar, 2004), the hierarchical utilisation of colour can still, in fact, be found in the annual report. One example is the colour arrangement on page 12 (see Figure 2), the upper half of which, against the caption ‘Chairman’s Statement’, provides a portrait of the chairman, with the two strands of waves forming the backcloth.

(Figure 2 here)

While the chairman is pictured with a “steady and almost timeless gaze” (Davison, 2002, p.599) which, together with his smile, conveys an impression of charisma, trust (Davison, 2010), reliability, and continuity, these connotations are also reflected in the culturally embedded use of the background colours: yellow, blue and purple. For instance, in the Qing Dynasty, yellow indicated supreme power as it had been used on the Emperors’ robe; purple symbolised the third highest power and royalty (following red and yellow); and blue represented spring and hence a new beginning (Yau, 1994). In other words, the presentation here of the three colours gives an impression of dictatorship in a centralised organisation similar to that expressed by the robe of the Emperor, both of which features yellow, blue and purple. From Western perspective, on the other hand, blue means high quality and trustworthiness; yellow, good-tasting; purple, affordable and love (Jacobs et al., 1991). Contrary to the Chinese perspective, therefore, the colour combination actually helps depict a picture of an approachable and responsible leader in a decentralised organisation via the Western lens.

4.1.4. Presentation of awards and recognitions

The fourth theme is the presentation of a series of prizes appeared on the second page of the report’s opening pages (see Figure 3), featuring two trophies of the company. Here the
symbolic messages can be interpreted from rhetorical perspectives. Specifically, there are two rhetorical devices perceived: one is antithesis, and the other repetition. As discussed earlier, rhetoric is not only an embellishment for texts, but serves as a tool for persuasion (Davison, 2002; Mouck, 1992; McCloskey, 1985). It is then worthwhile to investigate the connotation of these rhetorical devices (i.e. antithesis and repetition) to see how the company adds “viability, credibility and plausibility of... (its) positions” (Young, 2003, p.623).

(Figure 3 here)

The first rhetorical device lies in the antithetical fashion by which the two types of prizes for the two consecutive years are presented: whilst the award certificates for 2009 have been rendered more abstract and blurred and put on the back of the scene, their counterparts for 2010 appear in the front of the scene and are more concrete and conspicuous. While the vague images for the last year’s (2009) awards orchestrate a sense of past and history, their current year (2010) equivalents convey an impression of present and contemporary. By showing the recognition for the past as well as the present, the presentational opposites thereby successfully project the intangible side of the firm, namely, a prism through which the image of an award-winning enterprise is reflected.

In addition to the textual and visual contrast, the antithesis is also found in spatial terms. That is, the past and present, blurred and clearer award certificates are again set in opposition by their 3-D structural order: the previous prizes lie in a dimension deeper than the superficial, whereas the current awards have only appeared on the surface. The structural antithesis is thereby formed, presenting a 3-D movement of the firm’s excellent performance originating from its abstract and fundamental experience in the past towards a clearer focus and prospect on the future. From the prior vague impression to the present unequivocal vision, a message of continuity, maturity and history is also made receptive to readers.

The second rhetorical device, repetition, is manifested in the repetitive appearance of prizes which also emphasises the “existence of intangible assets whose recognition is often inadequate under the traditional accounting framework” (Davison, 2008, p.792). Here, the intangible asset to which the trophies and awards refer is the organisational prestige and social legitimacy (Best, 2008). Equally noteworthy is, as pointed out by Frey (2007), that the firm’s local identity as a Chinese state-owned enterprise has also been modified to that of the global by associating itself with the institutions of the awarding bodies: Thomson Reuters, Investor Relations, and Finance Asia. Through presenting this recognition from the three international business information providers and publishers, China Mobile has successfully aligned its position with that of a multinational corporation.

Not only the awards and prizes appear on the upper half of the page, the rhetoric of repetition extends to the written message placed on the lower half of the page. More
specifically, it is found that the four consecutive paragraphs beneath the visual image, each of which describes the respective award received by the company during the current year, have all used the phrase “The Company” in the beginning of their description:

The Company ranked number 38 as compared to number 55 in the previous year in *Forbes* “Global 2000 — the world’s 2000 Biggest Public Companies”.
The Company had been once again selected by *Financial Times* as one of the “FT Global 500” companies, ranked number 10.
The Company had been included by *BusinessWeek* in its “The 50 most innovative Companies” in 2010.
The Company ranked number 1 in the China section of *FinanceAsia’s* “Asia’s Best Companies” survey 2010 in “Most Committed to a Strong Dividend Policy”, and ranked number 2 in “Best Corporate Governance” and “Best Corporate Social Responsibility”.

(China Mobile Limited Annual Report, 2010, opening page) (Emphasises added)

Here the phrase “The Company” which has been repeatedly used at the start of the four successive paragraphs has emphasised again the image of an award-winning ‘company’, meanwhile silencing the local and regional identity of the actual firm as a state-owned entity. In addition, another term—“Greater China” appeared in the last three lines on the same page as underlined above has also blurred the company’s geographical setting and, more significantly, its political identity. This is largely due to the concept of Greater China *per se* which is apolitical and refers to the commercial interaction and cultural integration among mainland China, Hong Kong, Macau, and Taiwan (Harding, 1993).

Overall, the combined use of antithesis and repetition on the presentation of the awards and trophies has rhetorically connoted a picture of an award-winning enterprise and, less apparent, put the corporate image in a political vacuum through the globalised corporate identity legitimised by the award-giving institutions.

4.1.5. *Biographies of directors*

The next theme concerns the visual portraits of directors appearing in the beginning of the report’s *Financial Review* section (see Figure 4), carrying a twofold message which depicts a picture of an effective and democratic management with diversified board members on the one hand, and yet delineates a party dominant government-controlled organisation on the other.

(Figure 4 here)

*Charismatic and harmonious board of directors*

On the one hand, by applying Davison’s (2010) four rhetorical codes, the board of directors is successfully characterised by an impression of charisma, trustworthiness, and unity. In particular, the facial portraits are first identified in *physical* codes: all the photos have been digitally edited to render the faces of directors reasonably good-looking, thus conforming to the positive relationship between business success and physical attractiveness
(Ross and Ferris, 1981); the passport-type pictures contain only the executives’ head and shoulders, showing nothing of personal height which may suggest weak leadership. Second, the power and social status of the directors are reflected in dress codes through their formal attires. Rather than wearing any traditional clothes according to Chinese culture, western suits and ties were chosen by the directors so as to imply a globalised management team. Third, the smiles on the directors’ faces are considered in interpersonal codes which emotionally suggest personal charisma (Cherulink et al., 2001). Also, the directors’ direct gaze indicates trust (Davison, 2010). Fourth, as viewed in spatial codes, the same backcloth, filled with warm colour, gives a sense of consistency and solidarity. Overall, the interpretation of directors’ facial portraits by applying Davison’s (2010) rhetorical codes (physical, dress, interpersonal and trust) has helped us to connote the board of directors as globalised, charismatic, trustworthy, and united.

Also, the leadership authority of the company’s chairman and its chief executive officer (CEO) is further reinforced by the rhetoric of repetition. According to Davison (2008), each visual presentation of board members and other senior managers can be considered as repetition which rhetorically emphasises the firm’s intangible assets as well as the corporate image. Therefore, the repetitive use of the photographs for the chairman as presented four times in the report on pages 7, 12, and 16 (see Figures 4, 2, and 5) and the CEO as presented three times on pages 7 and 16 (see Figures 4 and 5) strengthens their image of leadership and authority.

In particular, the two visual images of the chairman printed in the report on pages 7 and 12 (see Figures 4 and 2) in fact come from the same photograph and yet exhibit differences in size and background. For the small facial picture produced on page 7, its size has been digitally cropped into passport-style and the background into warm colour gradient, whereas the original photo appearing on the Chairman’s statement lies in the centre of three royal colours (purple, yellow, and blue) according to Chinese tradition. Thus, while the chairman’s visual presence in the Directors’ biography section expresses consistency and harmony, his original photo in the Chairman’s statement section conveys an impression of authority and even dictatorship.

Diversified board of directors — female presentation

It is also noteworthy to examine the gendered presentation within the report using visual images. As featured in the biographies of directors (see Figure 4), the facial portraits of the two women, both of whom serve as the company’s vice president and executive director, are produced on page 8 and page 9 respectively. The inclusion of the two female directors’ photographs in the annual report appears to advertise the organisation’s commitment to the value of diversity in two ways: first, the visual images of female employees mirror a more diversified range of stakeholders to which the organisation is held responsible (Canabou and
Overholt, 2001); second, the female presence of directors also contributes to a diverse composition of board members which prompts critical thinking and hence increases the firm’s value (Bernardi et al., 2005). In addition, as argued by Davison (2010), the power and authority assigned within the female directors are further reinforced through the formal attire shown in the photos, undermining the traditionally inferior role played by women and thus connoting a modernised progressive organisation.

Diversified board of directors— independent non-executive directors

Exploring the photographs of these board members further, a signal of effective corporate governance is also found by the connotation of the independent non-executive directors’ pictures. As has been shown in the photographs and the accompanying biographies, there are twelve directors on the board, three of whom are independent non-executive directors. Since non-executive directors are considered critical for corporate transparency, accountability and credibility (Clarke, 1998), the inclusion of their facial portraits helps instil an impression of effective corporate governance at the visual level. Indeed, the linguistic message within the annual report has later indicated that the appointment of non-executive directors does bring values to the board in that the board’s audit committee, remuneration committee and nomination committee are comprised purely of the three non-executive directors (China Mobile Limited Annual Report, 2010, pp.40-42).

In addition, the capability and credibility of these non-executive directors are also evidenced in the accompanying linguistic message shown in their biographic information. That is, the names of the two independent non-executive directors are either preceded or succeeded by “Dr.” or “GBS, OBE, JP”. More interestingly, while titles such as “OBE” (i.e. Order of the British Empire, officer) and “JP” (i.e. Justice of Peace) represent a symbol of privilege and distinction as appointed by the British government, “GBS” (i.e. Gold Bauhinia Star) is the new award honoured by the Hong Kong government after the return of the sovereignty of Hong Kong to China in 1997. The combination of these titles, therefore, connotes a reliable independent director in particular and adds a sense of international recognition to the company in general.

Overall, at first glance, the presentation of directors’ biographies connotes an image of a charismatic, diversified, credible, effective board of directors. However, taking the Chinese socio-political context into consideration, a different picture emerges, connoting a strict government-controlled enterprise with politically appointed board of directors.

Government controlled board of directors

A less apparent connotation lies in the commonalities amongst the biographical information of the executive directors. A closer examination suggests that all of the executive directors had previously worked as government officials in Mainland China. For example, the
chairman of the board had formerly held the positions of Director-General and Deputy Director General at four different government departments\(^1\), and had also served as CEO, president, and chairman of three other state-owned enterprises. Other executive directors also served as Director General or Deputy Director General in at least two government bureaus and/or ministerial divisions. However, despite describing their working experiences, the annual report does not mention any of the directors’ political identity. Thus, the question as to whether or not they are members of the Communist Party of China (CPC) remains indistinct and blurred.

In addition, another commonality that can be found in the textual descriptions is that almost all the executive directors have received either a doctorate degree in business administration from Hong Kong Polytechnic University (six of the nine executive directors\(^2\)) or an EMBA degree from Peking University (two of the nine executive directors\(^3\)). Although the truthfulness of the degrees obtained by the directors is still a moot point, the biographical information of these political appointees and particularly their working experiences, education backgrounds and qualifications indeed connote a government-controlled, and probably party dominant, organisation.

Summarising our analysis on the biographies of directors so far, two contrary conclusions can be drawn from both the visual images and written texts of directors. While the visual and textual information taken together have portrayed a charismatic, authoritative, united, diversified, and effective board of directors on the one hand, it has also been demonstrated that, by placing the analysis into the cultural and political contexts of China, the biographical discourse, on the other hand, implicitly suggests a government (probably the CPC) controlled organisation.

4.1.6. Open Dialogue with Senior Management

Continuing to explore the pages inside the report, the next theme concerns the presentation of visual images within the Open Dialogue with Senior Management section (Figure 5). Similar to the contrasting connotations that we have found in the previous theme, dual messages are also present in this section which features a series of photographs taken at the company’s 2010 annual results announcement press conference: an open, authoritative, and globalised enterprise, as well as a suppressive, government-controlled organisation.

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\(^1\) These include the Posts and Telecommunications Bureau of Hangzhou, the Posts and Telecommunications Administration of Zhejiang, the Department of Planning and Construction of the Ministry of Posts and Telecommunications, and the Department of General Planning of the Ministry of Information Industry.

\(^2\) The directors include Mr. Wang Jianzhou, Mr. Li Yue, Mr. Sha Yuejia, Mr. Liu Aili, Madam Xin Fanfei, and Mr. Xu Long.

\(^3\) The directors include Mr. Xue Taohai and Madam Huang Wenlin.
Open and authoritative management

First and foremost, the five photos appeared in the report on pages 16 and 17 (see Figure 5) serve to visualise the caption “Open Dialogue with Senior Management”. Consistent with the spirit of “open” as suggested by the linguistic message, the antithetical presentation of the four photographs (Figures 5.1-5.4) implies movement, each two of which have been digitally edited to create identical size and position on two consecutive pages (page 16 and page 17), reproducing a picture of the face-to-face dialogue between the company directors and the audience. While the first pair of the photos (Figures 5.1 and 5.2) contains images of the firm’s chairman and CEO listening to their audience and answering questions, the second pair (Figures 5.3 and 5.4) feature a number of journalists in the auditorium raising questions and recording management responses. In addition, the moving waves underlying the pictures from pages 16 to 19 also add a sense of movement. Thus, the visual construction of the press conference has been established and is further reinforced by the written texts beneath the visual regarding directors’ answers. Here, the list of questions, according to Young (2003), ensures that report readers could witness the original dialogue as if they were also present at the announcement. Davison (2002) also agrees that such use of list as a repetitive rhetorical device serves to emphasise the subject matter—“open dialogue with senior management”. Taking the interlinked textual and visual messages into consideration, a picture of an organisation open to public concerns and questions has thereby been made evident.

In addition to the open dialogue at both textual and visual levels, the leadership attributes of management within the pictures can be identified via Davison’s (2010) four rhetorical codes. First, viewed from the physical codes, the five photographs were taken from an oblique angle presenting both the profile and frontal views of individuals, offering a three-dimensional presentation, and thus rendering the directors’ dialogue more approachable. Also, the physical height of directors remains unrevealed, since short stature might suggest weak leadership (Judge and Cable, 2004). Second, the dress code suggests authority and leadership through a vivid contrast of the clothing styles between the directors and journalists: while the formal black suits worn by all the directors symbolises higher status and power, the relatively casual and informal attire of the audience indicate a more ordinary social status. Third, the interpersonal code suggests a number of body movements. The smiles of the four directors (see Figure 5.5) indicate personal charisma (Cherulink et al., 2001). The chairman’s half-open and half-smiling mouth tells of a charismatic and approachable leader answering questions in an intent manner. The gazing of the chairman and the CEO at the audience while speaking shows full engagement with and respect to the interviewers, implying intimate trust. The body language of the audience, who are looking at
either their note books or the directors while writing or speaking also demonstrates a sense of conformism to authorities. Fourth, the *spatial* code somewhat presents a separation of status between directors and interviewers via geographically situating the directors on the rostrum, thereby constructing hierarchy.

**Global corporate identity**

Apart from the messages of openness and leadership, the linguistic texts which form the backdrop of the directors in their photos (see Figures 5.5) also convey a globalised corporation. Both the English and Chinese texts presented on the background not only indicate the name of the event as China Mobile’s 2010 annual results announcement, but also point out the geographical location of the event. That is, since the official writing languages of Hong Kong are English and traditional Chinese, and also because the company is listed on the Hong Kong Stock Exchange, it can be inferred that the announcement was held in Hong Kong. As an international metropolis, Hong Kong has long been characterised by low taxation and free trade, attracting overseas capital to local industries, and thus continually contributing to its openness and internationalism. With the return of Hong Kong to China in 1997, Hong Kong has been developed and ruled according to Mr. Deng Xiaoping’s famous concept of “one country, two systems” stating that Hong Kong’s “capitalist system and way of life shall remain unchanged for 50 years” (Miners, 1998, p.292). Therefore, the location in which the firm’s press conference took place has created an impression of a globalised organisation by aligning its geographical setting with Hong Kong, one of the most open and freest capitalist regions in the world.

**Centralisation and suppression**

Although there exist signals of openness, leadership, democracy, and a global corporation, another set of connotations of a centralised and suppressive government-controlled organisation is evident when we take the Chinese cultural context into account. First, the digitally edited photo (Figure 5.5) that has been placed above the two photographs of the company directors plays a constructive role in that while the picture stages the four directors at the front, the management team is not the cynosure that they might at first sight seem to be. Rather, the digital treatment of the photo has successfully built an artificial link among the ocean waves, the directors’ portraits below, and the photograph itself, where the chairman is placed at the centre of the theme. In the Chinese tradition, the political and cultural connotation of a geographically central location indicates superior status and supreme power (Li, 2008). For instance, the Chinese word for “China” (*Zhongguo*) literally refers to the Central Kingdom as superior to other surrounding countries (Gao, 2008); the Chinese imperial palace, Forbidden City, is built in the exact geographical centre of Beijing; and the emperor’s office, *Tai He* hall, is located in the centre of the Forbidden City. Thus, culturally speaking, the geographical position of the chairman assigns him the absolute
dominance analogous to that of an emperor. Moreover, the specific arrangement of the directors inside this photo (Figure 5.5) indicates, at the manifest level, the photo presents one female and three male directors smiling and responding to the audience, thereby signalling diversity and democracy; at the latent level, as has been revealed in the directors’ biography section, the same identity of these four directors as (former) government officials demonstrates a government-dominated dialogue where voices of the outsiders are excluded, reflecting monotony and dictatorship. Overall, the central position of the chairman and the exclusive presence of government officials, taken together, depict a suppressive picture that the centralised organisation prevails whereas non-government voices are silenced. Thus, we put forward the following two opposite viewpoints. On the one hand, by applying Davison’s (2010) four rhetorical codes and referring to the linguistic message inside the image, the five photos (Figures 5.1-5.5) have portrayed an open and charismatic management operating in a globalised organisation. On the other hand, the cultural interpretation of the chairman’s position and the dominance of government officials suggest a centralised management team exclusive of any outside voices except government positions.

4.1.7. Cover pages of the “Financial Review”

Unlike the photographs explored earlier, the next theme is a painting of a reasonably luxuriant tree with various branches, twigs, and leaves presented on pages 28 and 29 (see Figure 6), forming the cover pages for the report’s Financial Review section. Similar to the cultural connotation of water, here the tree plays the role of an “accepted inducer of associations of ideas” (Barthes, 1977, p.22).

(Figure 6 here)

The first connotation stems from the conception of trees in Chinese tradition. Deeply rooted in Chinese culture, the image of trees is generally considered as strong and sustainable due to physical shape and strength, especially in a harsh environment. For instance, the traditional Confucian interpretation of trees is mentioned in the Analects that:

The Master said, ‘Only when the cold season comes is the point brought home that the pine and the cypress are the last to lose their leaves.’ (Book IX, trans. Lau, 1979, p.100)

Confucius literally placed the pine and cypress in the depth of winter to attest and demonstrate the virtues of trees such as firmness and persistence. Xunzi (310-219 B.C.E.), one of the most prominent thinkers from the Confucian school, also pointed out the connotation of trees in his work Xunzi that only when the year grows old can we realise the strength of pine and cypress, and only when one is confronted with difficulty and danger can we notice one’s integrity and nobility (Knoblock, 1994). Thereafter, the image of a tree was used extensively as a metaphor to align the subject matter with strength and reliability similar to that of trees. Consequently, in the case of China Mobile’s annual report and particularly its Financial Review section, a mind image is created which links the cultural conception of
trees with the firm’s financial position. In other words, the tree portrayed on the cover pages brings the connotation of financial strength and sustainability. As well, another indicator of corporate sustainability is the small icons amidst the leaves which symbolise the firm’s core business including its cellular phone technology, internet services, and online community.

In addition, such a cultural connotation of the tree is echoed by the textual discourse appeared on the same page (page 29):

We are resolute in facing challenges and adhere to principle of rational competition. We focus on innovation and maintain sustainable steady growth... Our solid financial strength and strong ability to generate cash flow provide us a solid foundation for risk management and enable us to drive sustainable and long-term growth. (China Mobile Limited Annual Report, 2010, p.29) (emphases added)

Here, scattered through the linguistic message is a vocabulary of strength such as “resolute”, “solid”, “strength”, “strong”, and “foundation”, and a vocabulary of sustainability such as “sustainable steady growth” and “sustainable and long term growth”. These literal meanings in the text serve to confirm and complement the connoted meanings in the painting. Also of particular interest is the word “innovation” which is consistent with the connotation of small icons appearing amongst the leaves.

The second connotation draws more from Taoist thought and also concerns the cultural use of colour. Unlike the Confucian understanding of trees, the Taoist interpretation, particularly the theory of five elements (commonly known as wuxing in Chinese), addresses the substance of trees—wood. According to the five elements theory, the universe is constituted by the interaction of five basic elements, namely metal, wood, water, fire, and earth (Peng et al., 2006), all of which are used in correlation with the five colours, five tastes, and five directions4 (Derk, 2009). Because of its interrelation with the materials, colours, tastes, and directions, the theory of five elements is still widely used in traditional Chinese medicine and architecture design (Paton, 2007). It is thus worthwhile to examine the Taoist connotation of the tree presented here. In the lens of the five element theory, the tree relates to the substance of wood, which in its turn indicates the combined colour of green and blue (Kommonen, 2011), which then refers to the direction of east (Jin, 1999; Kavoussi, 2007). That is, the substance wood firstly carries the connotation of the green and blue colour appearing on the pages which indicates growth (Kommonen, 2011), and secondly, it metaphorically locates the tree and thus the company in the East. Overall, the Taoist connotation somewhat implicitly directs the company to the East and the cultural use of colour symbolises the growth of the organisation which also complements the Confucian interoperation of the tree.

4 In Chinese tradition, the five directions refer to north, east, south, centre, and west.
To sum up the connotations of the cover pages of the report’s Financial Review section, while traditional Confucianism conveys the firm’s financial strength and sustainability, Taoist thought depicts a growing corporation in the East.

4.1.8. Concluding public discourse analysis of China Mobile’s 2010 annual report

With specific reference to Davison’s (2010) four rhetorical codes (physical, dress, spatial, and interpersonal), Confucianism and Taoism, and the cultural use of colour in the Chinese context, there are three sets of competing messages to consider.

The first set of contrasting connotations is China Mobile’s corporate identity. On the one hand, from a non-Chinese perspective, the image of a globalised modern corporation can be depicted. For instance, the presentation of the award certificates as shown in Figure 3 and the accompanying linguistic texts such as the repetitive use of the phrase “The Company” and the apolitical term “Greater China” serve to align the company’s identity with that of the award-giving institutions and thus emphasise the global image of the firm. Similarly, the bilingual messages (i.e. English and traditional Chinese) from the photographs in Figure 5 indirectly suggest the geographical location of the company’s annual event, and then align the international image of Hong Kong with that of China Mobile.

Perhaps the less apparent connotations of the company’s global image lie in the sensitive aspects that have been excluded from the report. That is, in addition to those visible images in the annual report, it is also worthwhile considering what has been rendered invisible. For example, the range of colours used in the report (see Figure 1) appears to be more contemporary and general while reducing the values of the cultural and of the local. Another example is the executive directors’ questionable position as businessmen and women (see Figure 4), since they all previously served as government officials in various government bureaus or ministerial divisions. Although in the lens of Davison’s (2010) rhetorical codes, the biographies of directors have portrayed a charismatic, united, diversified management team, the question remains as to whether the directors’ political identity as the member of the CPC has been deliberately neglected to contribute to the firm’s global identity.

On the other hand, by placing the visual analysis in the Chinese context and in particular the two cultural beliefs (i.e. Confucianism and Taoism) and the use of colour, a traditional Chinese state-owned enterprise emerges. For instance, the background colours (i.e. yellow, purple and blue) through which the chairman’s photograph is projected (Figure 2) conveys a sense of supreme power and even dictatorship in accordance with the cultural connotation of these three colours. As well, connotations of the company’s geographical setting can be found in the Taoist connotation in Figure 8, where the ‘East’ as the geographical location is implied. Of course, the fact that all of the company’s executive
directors had formerly held government positions (see Figure 4) also begs the question whether China Mobile is purely controlled by the central government.

The second set of contrasting connotations lies in the governance style of the firm. Similar to the discussion above, while the rhetorical perspective indicates the firm’s management as charismatic, open, diversified, united and even democratic, the Chinese socio-political interpretations illuminate the directors as authoritative, centralised, suppressive, and government controlled. For instance, a sense of diversity and effective corporate governance is connoted via the facial portraits of the female directors and the three non-executive directors (as shown in Figure 4). In Figure 5, Davison’s (2010) rhetorical codes can be found to indicate the directors’ charisma (by dress and interpersonal codes) and unity (by spatial codes). A latent message of democratic management can be inferred by the Confucian connotation of water. As the leitmotif of the annual report, the water has been culturally linked by Confucianism with wisdom, which is then explained by Confucius as being democratic. Through a repetitive appearance of the theme of water throughout the report (e.g. Figures 1, 2, 3, and 5), the company has rhetorically projected its corporate image as connoted by the Confucian elucidation.

However, the opposite connotations are also evidenced from the same images by referring to traditional Chinese thoughts. The similar career path of the executive directors as former government officials (shown in the linguistic text in Figure 4) would change diversity and unity into homogeneity and government supremacy. Likewise, the cultural connotation of the background colours in Figure 2, where the chairman is centred, would also transform his personal charisma into pure dictatorship. Another example of the competing messages is the photographs (see Figure 5) taken at the firm’s annual announcement, where leadership, openness, and democracy are conveyed primarily through Davison’s (2010) dress, spatial and interpersonal codes. Conversely, the central location of the chairman and the exclusion of non-executive directors have portrayed a traditional Chinese enterprise characterised by centralisation and the silence of outsiders.

The third set of connotations refers to the comparison between the firm’s shareholder (i.e. financial) value and stakeholder (i.e. social) value. The financial values, both tangible and intangible, are expressed at both literal and symbolic levels. The literal messages contain the smart phone applications in the form of small logos (see Figure 1) as the firm’s tangible assets. The symbolic messages purport to: the firm’s ‘Blue Ocean Strategy’ connoted by repetitive appearance of the ocean waves (see Figures 1, 2, 3, and 5); its business reputation through the presentation of awards and trophies (see Figure 5); leadership, unity, and effective corporate governance through the facial portraits of the directors (see Figure 4 and 6); openness and democracy via the photos at the annual results announcement and also
through the Confucian interpretation of water, and; financial strength and sustainability by the Confucian connotation of trees (see Figure 6) and Taoist view on water.

While the firm’s financial values are conveyed both literally and symbolically, the social value appears to be only latently connoted and thus underrepresented. It seems that the Taoist connotation of the water and the presence of the journalists in the annual announcement (see Figure 5) may indirectly relate to a wider range of stakeholders (i.e. not only the financial stakeholders) who are affected by and have been affecting China Mobile. Specifically, according to the *Tao Te Ching*, the benevolence of the water lies in that it “nourishes rather than rivals with everything” (Ge and Yang, 2004). Thus, the Taoist thought helps depict the corporation’s image as that of the water which benefits everyone (as stakeholders) in the society. As for the photographs of the journalists raising questions and listening to management responses (see Figures 5.3-5.4), this may represent, at least in part, the voice of the stakeholders in the first place. However, the accompanying linguistic texts suggest that the directors’ response contain nothing more than the purely technological advance of the firm while ignoring the firm’s social implication at large.

Faced with these three sets of competing messages, the question that begs our answer is that how these differing connotations are mediated and sustained in the Chinese context. Thus, a social practice analysis of China Mobile is needed before we proceed to the discursive practice that links the discourse with the context.

4.2. Social Practice Analysis of China Mobile

According to our previous discussion, the institutional background of China Mobile is divided into two parts: the historical development and the organisational structure of China Mobile.

4.2.1. A short history of China Mobile Limited

Founded in Hong Kong in 1997, China Mobile Limited was then named as China Telecom Limited and listed on the Hong Kong Stock Exchange (HKSE) and the New York Stock Exchange (NYSE). At the time, the firm was part of China Telecom Group (China Telecom), an operating arm of the former Ministry of Post and Telecommunication (MPT) which then had absolute dominance in the Chinese telecommunication industry and later merged with the Ministry of Electrical Power (MEP) to become the Ministry of Information Industry (MII). In order to promote market competition, the MII divided China Telecom into four different organisations in 1999 including China Network Communication Corporation Limited, China Jitong Network Communication Corporation Limited, China Satellite Communication Company, and China Mobile Communication Corporation Limited (CMCC). China Mobile was then formally established to carry forward the wireless division of China Telecom; meanwhile, its Hong Kong subsidiary was officially renamed as China Mobile
Limited in 2000. To date, the company has become one of the largest Chinese state-owned enterprises (SOEs) and the world’s largest mobile operator with the customer base of over 710 million subscribers (China Mobile Limited, 2012).

4.2.2. Organisational structure of China Mobile

Similar to the dual leadership system of other major Chinese SOEs, the top management position at China Mobile is comprised of two titles, namely, the managerial team, and the CPC Committee. While the management team oversees the company’s general operating issues, the Party committee leads the organisation’s political directions. Thus, not only are the directors responsible to business operations, but they are also, as the party cadres, required to obey the commands of the CPC through state agencies such as the Department of Organisation (DOC) which makes personnel decisions. In 2010, for instance, the chairman of the company also served the Secretary of the firm’s CPC Committee\(^5\), equivalent to the political position at deputy ministerial level, whereas other executive directors were members of the committee. Under the dual titles as such, the attitude of management towards market competition and foreign investment inevitably conflicts with, and is dominated by the political correctness which emphasises state (or rather the party) interest (Clarke, 2003; Gao, 2009).

In addition to the CPC’s political intervention via the DOC to appoint management positions, the company’s shareholding structure also reflects the bureaucratic control from government. Despite the fact that the group’s Hong Kong subsidiary China Mobile Limited was listed on the Hong Kong and New York stock markets since 1997, CMCC still holds 100% shares of China Mobile (Hong Kong) Group Limited, which in turn, owns 74.21% of the China Mobile Limited as of December 2010 (China Mobile, 2011). That is, its mainland group still indirectly holds 74.21% of the listed subsidiary, as shown in Figure 7. The listed company (China Mobile Limited) then holds 100% shares in the subsidiaries around Mainland China (China Mobile, 2011). Indeed, according to Clarke (2003), having SOEs’ subsidiaries listed on overseas stock exchanges in no way contributes to market privatisation but simply corporatisation. Corporatisation, in this sense, only helps the government of the CPC to increase values of the state assets which then ensures the communist regime’s political control at the expense of the non-controlling interest including foreign investors.

\(^5\)Since the annual report studied in this research is China Mobile’s 2010 report, the analysis here is concerned with the management composition in 2010. In fact, It was not until June 2011 when Xi Guohua was appointed as vice president by the Department of Organisation and the State-owned Assets Supervision and Administration Commission, that Wang’s position as the committee secretary was took over by Xi. Interestingly, Xi also serves as the vice minister at the MII concurrently, again indicating the state dominance over China Mobile.
To sum up the social practice analysis so far, the firm’s historical background and the organisational structure reveal the heavy-handed bureaucratic control and party dominance both politically and financially. Figure 7 illustrates these relationships. Having investigated the institutional context in which China Mobile operates, the next section considers the discourse practice in which the annual report is put forward in the context that we now turn.

(Figure 7 here)

4.3. Discourse Practice Analysis

Since discourse practice refers to the “process of text production, distribution, and consumption” (Fairclough, 1993, p.78), our analysis here comprises three parts as to how the annual report is produced, distributed, and consumed.

4.3.1. The production of the report

As China Mobile is listed on the HKSE and the NYSE, its annual report is produced in accordance with the applicable regulatory frameworks. While the financial statements of the report are prepared under the International Financial Reporting Standards (IFRS) in the HKSE, and under the Form 20-F reconciliation (i.e. the reconciliation of those financial statements prepared under IFRS to the U.S. GAAP) in the NYSE (China Mobile Limited, 2010), the visual content of the report appears to be an almost unregulated area of financial reporting (Davison and Skerrat, 2007). Thus, it leaves much room for China Mobile to represent and even produce its financial and ideological reality (cf. Hines, 1988). The next question then becomes how the annual report is distributed.

4.3.2. The distribution of the report

As a publicly listed firm, China Mobile’s annual reports are distributed either by mail to the registered shareholders from the HYSE and the NYSE or through its website available to the public. First, regarding the mail distribution, the major audience of the report appears to be those from overseas, as the firm is only listed in the Hong Kong and New York stock markets, which legally (as in the case of HKSE) and technically (as in the case of NYSE) prevents any investors in Mainland China from directly purchasing shares (Ferguson et al., 2002). In other words, despite the firm’s major operations inside Mainland China, the central concern of the report distributed by mail may be only to inform the overseas financial stakeholders, thus neglecting its non-financial counterparts within China.

(Figure 8 here)

(Figure 9 here)

Second, regarding the online distribution, two independent websites are available for viewing and downloading the annual reports: one (Figure 8) is for the parent entity (CMCC)
in Mainland China (www.10086.cn), and the other (Figure 9) for the subsidiary (China Mobile Limited) (www.chinamobileltd.com). In fact, the two sites differ significantly in terms of design and content: while the subsidiary’s website exhibits primarily financial news and data, the parent entity’s website contains messages of marketing, organisational structure, corporate culture, social responsibility, and even political relations (see Figure 8). For example, under the navigation bar of Corporate Culture in the parent entity’s website (Figure 10), there is a subsection named as the “Party-masses Relations” (Figure 10.1-10.2) (which literally means the relationship between the party and the public). Interesting still is the violent contrast of the directors’ biographies in the websites of the parent and of the subsidiary entities: while the subsidiary’s page (Figure 11) contains same detailed biographies as those from the annual report, the parent firm’s page (Figure 12) simply shows the managerial and the political titles of directors (with no photos), reducing individuality to homogeneity. Now the question becomes how the differences exhibited in the distribution channels of the report affect the process of consumption.

(Figure 10 here)

(Figure 11 here)

(Figure 12 here)

4.3.3. **The consumption of the report**

Since the distribution channels vary as per different geographical locations and online contexts, the process regarding how the reports are consumed by different reader groups also needs to be considered separately.

The first type of consumption is primarily accomplished by the audience overseas, through either receiving the report by mail or browsing the report online. On the one hand, for those registered shareholders from the HKSE and NYSE who receive the report via mail (as demonstrated earlier), the delivery of the report seems to be the routine activity required by the law, and the subsequent consumption focus of the report for hem appears therefore only to be financial. On the other hand, for other overseas audience who read the report online, the English version of the report is most likely preferred, which naturally leads them to the firm’s subsidiary website (China Mobile Limited), because (1) the subsidiary’s site is the first option via Google, and (2) even the parent’s site will re-direct the web address to its subsidiary counterpart when audience click on the “English” language hyperlink (i.e. the parent firm’s website is written exclusively in Chinese). In other words, the group of audience (mostly overseas) who choose the English annual report will read the report on the website of China Mobile Ltd which contains primarily financial data and shareholder information. It is then argued that, in such context, the annual reports are “shaped by prior
texts that they are ‘responding’ to, and by subsequent texts that they ‘anticipate’” (Fairclough, 1993, p.101). The consumption process as such is influenced by at least two connotations: first, the firm’s shareholder concern through all the financial data and shareholder news presented on the website; second, the firm’s global image through the site’s availability of three languages (i.e. English, traditional Chinese, and simplified Chinese). Consequently, the annual report, whether read via mail or online, is consumed as a pure financial document open to global investors.

The second type of consumption concerns the Chinese readers who read the report online. Since most of them would prefer the Chinese version, and the parent firm’s website is the first option on any Chinese search engine⁶, the environment in which the Chinese annual reports are put forward is thus the website of CMCC. Unlike its subsidiary counterpart, CMCC’s site (Figure 8) contains more information including corporate announcement of the firm’s provincial branches, recruitment information, social responsibility & sustainability, corporate culture and even political messages (i.e. the directors’ political titles, the ‘Party-masses Relation’ section), thereby connoting the firm’s local, national, and political identity, and a sense of social responsibility.

5. Discussions and Conclusion

Based on the three analyses above, although there exists competing connotations at the level of public discourse (the annual report per se), social practice analysis presents only one univocal image of the firm (as a typical Chinese SOE). Subsequently, the three sets of competing messages—corporate identity; governance style; shareholder and stakeholder concerns—that are concluded from the public discourse analysis, the patterns of distribution and consumption of the annual report at the discourse practice level are revisited, in order to explore how the distinctions from the three analyses are mediated, naturalised and sustained.

Corporate identity----Global vs. National

The first set of the contrasting connotations of the annual report’s visual discourse concerns the firm’s corporate identity. By applying non-Chinese perspectives such as the use of Davison’s (2010) rhetorical codes, an image of a globalised modern corporation is connoted. However, by placing the visual analysis in the Chinese context including Confucian and Taoist thoughts and the use of colour, the visual images within the report also connote a strong national identity. While the findings of the social practice analysis coincide with the latter, the process of distributing and consuming the annual report as discourse

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⁶ Due to the heavy censorship in Mainland China, Google has officially quit the Chinese market and withdrawn its Chinese website.
practice also convey a twofold message including both the global and the national identities, naturalising the distinctions between the visual text and the social practice of the firm.

In terms of the global identity, there are two ways in which the report is distributed and consumed to help construct the firm’s international image. The first way concerns the printed version of the reports that are delivered through postal services to the registered shareholders who have purchased the company’s shares on the HKSE and the NYSE. The target audience in this category are largely from overseas and so consume the report from a typically non-Chinese perspective. Thereby, a global image of the firm is established. The second way refers to the online version of the reports available on the websites of both China Mobile Limited (the Hong Kong subsidiary) and CMCC (the Mainland parent entity). Although both of these websites provide the annual report, the website of CMCC, to a great extent, has blocked access for those who only use English, as the language bar (of “English”) automatically re-directs the web address to that of the Hong Kong subsidiary (China Mobile Limited). Moreover, China Mobile Limited’s website connotes a sense of the global since it does provide the language options including English, traditional Chinese and simplified Chinese. Therefore, for the readers who do not come from Mainland China, the online site of China Mobile Limited offers them a sense of global to the annual report.

In terms of the national identity, the discourse practice analysis also identifies the way in which the report is distributed and consumed to construct firm’s national image, supportive of the similar findings from the public discourse and social practice levels. That is, for those readers from Mainland China who are highly unlikely to be the shareholders of the firm, the only distribution channel of the reports seems to be viewing online. Specifically, CMCC’s website is chosen as it is commonly known by Mainland China customers as the homepage for China Mobile. Then, the online environment of the parent entity connotes a sense of national identity through incorporating the news and announcements of China Mobile’s Mainland branches at the provincial level (see Figure 8). Thus, consistent with the results of the public discourse and social practice analyses, the discourse practice analysis here also constructs a typical Chinese enterprise.

**Governance style----Democracy vs. Dictatorship**

The second set of the contrasting connotations is the firm’s governance style. While our public discourse analysis presents both a democratic management team characterised by charisma, openness, diversity, and unity, and a dictatorial organisational structure featuring the absolute authority and government supremacy, the social practice only agrees with the latter. This is again where the discourse practice comes into existence.

In terms of democracy, although the discourse practice analysis does not directly indicate any governing styles of the firm, there are at least two distribution channels and the
respective consumption patterns which depict the image of a standardised management team. The first is the delivery of the reports’ hardcopies by mail to the registered shareholders. Then the most straightforward way of consuming the report and especially the management information is to read through the printed report delivered. As elucidated earlier, since most of these shareholders are from overseas and thus would view the report from non-Chinese perspectives, the democratic connotation of management as conveyed by the report *per se* plays an active part in the process of consumption. Thus, the image of a democratic management team is formed. The second distribution channel is the online version of the report on the website of China Mobile Ltd (the subsidiary). As noted earlier, for those (potential) investors from overseas, this website is most likely to be the place where the annual report is consumed. And since the online context as such contains the same biographies of the directors as shown in the annual report and ignores their corresponding political titles, the discourse practice exhibited at this point echoes with the respective connotation of the report which conveys charisma, openness, diversity, unity and effectiveness. In other words, a picture of a qualified management team is portrayed.

In terms of dictatorship, the discourse practice also establishes one process in which the report is distributed and consumed to depict the firm’s dictatorial governance style. Particularly, the message of dictatorship is connoted through the website of CMCC where most of the Mainland audience would read the report. And since the online environment of CMCC’s website conveys a strong sense of political domination, via incorporating the ‘party-masses cooperation’ as part of the corporate culture (Figures 10.1-10.2) and revealing the directors’ political identities as the members of the CPC (Figure 12), such a type of discourse practice indicates party suppression and thus dictatorial dominance.

*Shareholder interests vs. Stakeholder interests vs. Stateholder interests*

The third set of the competing messages purports to the firm’s concern of shareholders and stakeholders. While the shareholder interest (as reflected by tangible and intangible assets) is connoted through the report at the level of public discourse, the stakeholder interest has been scarce. Moreover, the firm’s social practice seems to be interested in neither the shareholders nor the (non-political) stakeholders; rather, it has always been the political stake of the CPC (i.e. stateholder) that directs the firm’s financial and managerial policies.

In terms of the shareholder interests, two types of the report distribution and consumption processes are identified to convey the firm’s concern of shareholders. The first refers to the shareholders who receive the report via mail and who would then regard the report as a pure financial document in compliance with legal regulations. In this respect, the consideration of the shareholders’ interest has thereby been expressed through both the distribution channel *per se* and the consuming pattern by the (mostly overseas) shareholders.
The second process which also emphasises the interest of shareholders is the distribution of the report through the website of China Mobile Limited. Already demonstrated is that any (potential) overseas investors are highly likely to view the electronic version of the report through the website of the Hong Kong subsidiary, as its Mainland counterpart linguistically prevents foreign readers from browsing. Also, the online environment (Figure 9) of the subsidiary contains nothing more than the firm’s financial figures and news. Thus, for the overseas audience who read the report on the webpage of China Mobile Limited, the financial connotation of visual discourse within the annual report is reinforced and naturalised.

In terms of the stakeholders’ interest, the discourse practice also contains one way of distributing the report in which the stakeholders concern is shown, namely, via the website of CMCC (Figure 8). In particular, the website’s ‘Corporate Social Responsibility and Sustainability Development’, ‘Recruitment information’, ‘announcements and news of provincial branches’ sections indicate the firm’s interest in a wide range of stakeholders. In addition, a lesser apparent connotation of the stakeholders’ interest lies in the ‘Party-masses Relations and cooperation at China Mobile’ section under the ‘Corporate Culture’, emphasising the importance of the public to both the CPC and the organisation.

Moreover, given the dominance of the political stakeholders as shown from the social practice analysis, the interest of these stakeholders, or rather, the stateholder, is not connoted by the visual discourse of the report. Again, this is then mediated through the discourse practice which adds a sense of the party interest. That is, the website of CMCC via which most of the Chinese audience read the annual report exhibits political domination of the CPC in that not only does the website contain the ‘Party-masses Relations’ a part of the ‘Corporate Culture’ (Figures 10.1-10.2), but it also reduces, in the Introduction to management section, the individual profiles of the directors to the collective political titles as the part member and the CPC committee of China Mobile. As such, the discourse practice here provides a sense of stateholder interest in between the visual discourse of the report and the firm’s organisational structure, successfully mediating the gap between the public discourse and the social practice.

To sum up the above discussions on the three sets of competing messages, it has been demonstrated that while there are distinctions and overlaps existing between findings of the firm’s public discourse and its social practice, the discourse practice sustains and reinforces the overlapping interpretations, and also mediates and naturalises the competing connotations. On the one hand, the image of a globalised corporation with the professional management team focusing on the shareholder interest is constructed through delivering the annual report by mail or uploading it onto China Mobile’s website. On the other hand, the picture of a state-controlled enterprise characterised by the supremacy of the party
emphasising both the stateholder interest and, to a lesser extent, the stakeholder interest is also constituted by distributing the report via the website of CMCC.

This study demonstrates how different ideological implications are connoted through the visual discourse in the 2010 annual report of China Mobile which juxtaposes duel ideologies of a socialist political regime and a neo-liberal market economy. The juxtaposition process is illustrated through an analysis of the discursive process that mediates the visual texts for occidental and oriental audiences respectively. The contributions of this study are threefold. First, in relation to extant accounting literature, the research has investigated the dual ideological implications of annual report’s visual discourse from both a socialist political regime and a market economy in the context of Mainland China, demonstrating the socially reflective and constitutive role of the visual images therein. Second, in relation to methodology, the research has applied Critical Discourse Analysis (Fairclough, 1993) in exploring the socio-political significance of visual images within annual reports, examining not only the visual discourse per se but also the institutional structure and the specific discursive environment in which the discourse is put forward. As such, the paper provides a critical framework for future studies of annual report’s visual discourse. Third, the study has adopted the analytical tools of visual images from not only the artistic discipline including Davison’s (2010) four rhetorical codes (physical, dress, spatial and interpersonal), but also the Chinese tradition such as the two dominant philosophical beliefs (Confucianism and Taoism) and the cultural use of colour. Again, this offers new insight for future studies of visual images in that contextualised messages are considered and applied.

6. References
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Figure 1 Front cover of the report
Figure 2 Cover page of the Chairman’s statement


Chairman’s Statement

Source China Mobile Limited 2010 Annual Report (p.12)

Figure 3
Awards & Recognition

In 2010, the Company’s outstanding performance has won popular recognition and acclaim:

The Company ranked number 38 as compared to number 55 in the previous year in Forbes “Global 2000 — the World’s 2000 Biggest Public Companies”.

The Company had been once again selected by Financial Times as one of the “50 Global S00” companies, ranked number 10.

The Company had been included by BusinessWeek in its “The 50 most innovative Companies” in 2010.

The Company ranked number 1 in the China section of Nikkei/Rea’s “Asia’s Best Companies” survey 2010 in “Most Committed to a Strong Dividend Policy”, and ranked number 2 in “Best Corporate Governance” and “Best Corporate Social Responsibility”.

For the fifth consecutive year, the “China Mobile” brand had been included in “BrandZ™ Top 100 Most Powerful Brands”, ranking number 9 globally. This ranking has been published by Millward Brown and Financial Times since 2006.

In the ThomsonReuters Institutional Research Asia Pacific Survey 2010 in association with IR magazine, the Company won four awards including “Best Overall Investor Relations”, Asia Pacific”, “Grand Prize for Best Overall Investor Relations — Large Cap (Greater China)”, “Best Overall Investor Relations by a Hong Kong Company” and “Best Investor Relations by Sector — TMT Greater China”.

Source: China Mobile Limited 2010 Annual Report

Figure 4
Source: China Mobile Limited 2010 Annual Report (pp.7-11)

Figure 5
Source: (China Mobile Limited 2010 Annual Report, pp.16-19)

Figure 6

Source: China Mobile Limited 2010 Annual Report (pp.28-29)
Figure 7

China Mobile Communications Corporation

100%

China Mobile (Hong Kong) Group Limited

74.21%

China Mobile Limited

100%

Individual branches of China Mobile in Mainland China

China Mobile’s CPC Committee

Department of Organisation

* As of December 2010, China Mobile Group Limited held 74.21% of China Mobile Limited

“------►” indicating parent company control

“———” indicating regulatory oversight

“--------” indicating personnel decision

Figure 8 Financial reporting page of the parent entity (CMCC)
Source: (China Mobile Communications Corporation, official website)

Figure 9 Financial reporting page of China Mobile Limited
Source: China Mobile Limited official website

Figure 10 Corporate culture page of CMCC
Source: China Mobile Communications Corporation official website

Figure 11 Directors & Senior Management page of China Mobile Limited
Figure 12 Introduction to management page of CMCC

Source: China Mobile Communications Corporation, official website