



Press Release
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For Immediate Release

**China Telecom Corporation Limited
Announces Results for Year 2022**

**Fully Implemented Cloudification and Digital Transformation
Taking High-quality Development to a New Level
Fundamental Businesses and Industrial Digitalisation Serve as Dual Engines
China Telecom Cloud Revenue Doubled Again**

FINANCIAL HIGHLIGHTS¹

<i>(RMB Million)</i>	2021 (Restated) ²	2022	Rates of change
Operating Revenues	439,553	481,448	9.5%
Service Revenues ³	402,828	434,928	8.0%
of which: Mobile communications service revenues	184,158	191,026	3.7%
Wireline and Smart Family service revenues	113,522	118,534	4.4%
Industrial Digitalisation service revenues	98,945	117,756	19.0%
EBITDA ⁴	123,914	130,359	5.2%
Net Profit ⁵	25,949	27,593	6.3%
Comparable Net Profit ⁶	24,533	27,593	12.5%
Comparable EPS ⁶ (RMB)	0.29	0.30	3.4%
Full-year dividend per share (RMB)	0.170	0.196	15.3%

BUSINESS HIGHLIGHTS

<i>(Million)</i>	2021	2022	Net addition
Mobile Subscribers	372.43	391.18	18.75
of which: 5G Package Subscribers	187.80	267.96	80.16
Wireline Broadband Subscribers	169.71	180.90	11.19
e-Surfing HD (IPTV) Subscribers	121.37	125.71	4.34

¹ All figures are based on International Financial Reporting Standards (“IFRSs”).

² Certain figures in 2021 are adjusted retrospectively and restated pursuant to the acquisition of Beeya (Shanghai) Technology Co., Ltd. in December 2022.

³ Service revenues are calculated based on operating revenues minus sales of mobile terminals, sales of wireline equipment and other non-service revenues. Of which, mobile service revenues amounted to RMB206.9 billion, representing an increase of 6.0% year-on-year; wireline service revenues amounted to RMB228.0 billion, representing an increase of 9.8% year-on-year.

⁴ EBITDA is calculated based on operating revenues minus operating expenses plus depreciation and amortisation.

⁵ Net profit represents profit attributable to equity holders of the Company.

⁶ Comparable net profit and comparable EPS are calculated by excluding the one-off after-tax gain from the disposals of subsidiaries of approximately RMB1,416 million in 2021.

China Telecom Corporation Limited (hereinafter “China Telecom” or the “Company”) (Stock Code on the Hong Kong Stock Exchange: 728) (Stock Code on the Shanghai Stock Exchange: 601728) announces its 2022 annual results today in Hong Kong.

In 2022, the further advancement in the building of Digital China as well as the thriving development of digital economy brought new development opportunities to the industry. The Company implemented the new development principles completely, accurately and comprehensively based on the new development stage, while taking the initiative to serve and integrate into the new development pattern. The Company resolutely fulfilled its responsibilities in building Cyberpower and Digital China as well as safeguarding network and information security and fully implemented its Cloudification and Digital Transformation strategy. The Company further advanced the deployment of capabilities led by sci-tech innovation and leveraged deepened reforms to propel the unleashing of development momentum continuously. The Company’s corporate governance system has been further optimised. The Company spared no effort in developing a service-oriented, technology-oriented and secured enterprise, while sharing the new achievements of its high-quality development with shareholders, customers and society.

In 2022, the Company’s operating revenues amounted to RMB481.4 billion, representing an increase of 9.5% year-on-year. Service revenues amounted to RMB434.9 billion, representing an increase of 8.0% year-on-year. Excluding the revenue impact from the disposals of its subsidiaries in 2021⁷, the year-on-year growth rate reached 8.1%. EBITDA amounted to RMB130.4 billion, representing an increase of 5.2% year-on-year. Net profit amounted to RMB27.6 billion, representing an increase of 6.3% year-on-year. Excluding the one-off after-tax gain from the disposals of its subsidiaries in 2021⁸, the year-on-year growth rate reached 12.5%. The basic earnings per share were RMB0.30. Capital expenditure was RMB92.5 billion and free cash flow⁹ reached RMB13.2 billion.

The Company attaches great importance to shareholder returns and strives to enhance its profitability and cash flow generation capabilities, while effectively controlling capital expenditure. Taking the Company’s profitability into full consideration, alongside cash flow levels and capital needs for its future development, the Board of Directors has decided to recommend at the Annual General Meeting that a final dividend of 2022 of RMB0.076 per share (pre-tax) shall be declared. Together with the 2022 interim dividend of RMB0.120 per share (pre-tax) which has been distributed, the full year dividend of 2022 amounts to RMB0.196 per share (pre-tax), and the aggregate amount of the full year dividend represents 65% of the profit attributable to equity holders of the Company for the year. Within the three years following the Company’s A Share Offering and Listing, the profit to be distributed in cash for each year will gradually increase to 70% or above of the profit attributable to equity holders of the Company for that year, continuously creating more value to all shareholders.

⁷ Service revenues for 2021 excluded Internet Finance revenue prior to the disposal of E-surfing Pay Co., Ltd. which was completed in April 2021.

⁸ The one-off after-tax gain from the disposals of E-surfing Pay Co., Ltd. and China Telecom Leasing Corporation Limited was approximately RMB1,416 million.

⁹ Free cash flow is calculated based on EBITDA minus capital expenditure, income tax and depreciation charge for right-of-use assets other than land-use-rights.

In 2022, the Company comprehensively implemented its Cloudification and Digital Transformation strategy, and fully completed its deployment in the fields of businesses, capabilities, sci-tech innovation, cloud-network and reforms. The Company built new development momentum through cloud-, AI-, security- and platform-integrated initiatives and further enhanced its digital supply capabilities. The Company strived to develop an enterprise with “three orientations”¹⁰ while further advancing its high-quality development.

The Company further accelerated the transformation of its fundamental businesses, strengthened the promotion of digital products supply, and proactively expanded the new path featuring integrated development of Smart Family, Digital Village and Smart Community, enabling the whole society to enjoy a better digital life while promoting the steady growth of its fundamental businesses. The Company continued to strengthen its 5G network coverage, optimise network quality and enhance 5G user experience to promote mobile subscribers growth and value stabilisation. Leveraging the convergence of “5G + Gigabit broadband + Gigabit WiFi”, as well as the incorporation of digital elements such as AI, security, cloud, the Company promoted the application expansion and service upgrade of broadband subscribers. With the creation of an open and integrated digital life platform, the Company provided communities and villages with leading capabilities in connecting households, communities and government, as well as abundant solutions for grassroots governance. The Company also provided integrated scene-based applications such as Video Door Access Control, Community Management and Village Governance. In 2022, the Company’s mobile communications service revenues amounted to RMB191.0 billion, representing an increase of 3.7% year-on-year, maintaining favourable growth. The penetration rate of 5G package subscribers reached 68.5%. The value contributions from mobile value-added services and applications continued to grow, with mobile ARPU¹¹ reaching RMB45.2, representing an increase of 0.4% year-on-year. Wireline and Smart Family service revenues amounted to RMB118.5 billion, representing an increase of 4.4% year-on-year. The penetration rate of Gigabit broadband reached 16.8%. The number of Whole-home WiFi and e-Surfing Webcam subscribers increased by 45.8% and 52.7% respectively. The value contributions from Smart Family service continued to grow. Broadband blended ARPU¹² reached RMB46.3, representing an increase of 0.9% year-on-year. The Company’s overall customer satisfaction maintained an industry-leading position.

¹⁰ Enterprise with “three orientations”: service-oriented, technology-oriented and secured enterprise.

¹¹ Mobile ARPU = monthly average revenues from mobile services/the average number of mobile subscribers.

¹² Broadband blended ARPU = monthly average revenues from broadband access, e-Surfing HD and Smart Family applications and services/the average number of broadband subscribers.

The Company proactively seized the current opportunities brought by the demands from various industries in the economy and society for network-based, digitalised, and smart integrated information services and created a model for Industrial Digitalisation development that deeply integrates “cloud-network capability foundation + industry application platforms”, providing digital integrated solutions for numerous walks of life. China Telecom Cloud has entered into a stage of 4.0 with full commercialisation after more than ten years of development. The market share of China Telecom Cloud continued to increase, becoming the world’s largest carrier cloud and China’s largest hybrid cloud. It has grown to rank among the top-three in China’s public cloud IaaS market and public cloud IaaS+PaaS market, while maintaining its No.1 position in the dedicated cloud market in terms of market share. The Company supported the digital transformation of the national economy and society, achieving remarkable results in scale expansion in key areas of national economy and people’s livelihood. Focusing on 5G industry use cases, the cumulative number of 5G 2B commercial projects developed by the Company reached approximately 15,000, of which the number of newly added projects in 2022 exceeded 8,000. This fully unleashed new momentum of transformation for vertical industries. Meanwhile, emerging businesses, such as network security, Big Data, AI and digitalised platform, have gradually become new drivers for Industrial Digitalisation development. In 2022, revenue from Industrial Digitalisation of the Company amounted to RMB117.8 billion, representing a year-on-year growth of 19.7% on a comparable basis¹³. Revenue from China Telecom Cloud reached RMB57.9 billion, representing an increase of 107.5% year-on-year. Revenue from network security services amounted to RMB4.7 billion, representing an increase of 23.5% year-on-year.

The Company further optimised the “2 + 4 + 31 + X + O” layout of its computing power and built proprietary multiple availability zones (AZs) capabilities of China Telecom Cloud 4.0 in central nodes of regions of Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macau Greater Bay Area and Chengdu-Chongqing. The number of cities covered by “One-City-One-Pool” exceeded 240, while the number of edge computing power nodes surpassing 800, providing customers with highly-efficient and efficiently-centralised distributed cloud service with ultra-low latency. In 2022, the newly added computing power of China Telecom Cloud was 1.7 EFLOPS, with its total computing power reaching 3.8 EFLOPS, representing an increase of 81% year-on-year. The Company built the four-level AI computing power comprising of “entire network-region-edge-terminal” with nationwide coverage. The Company also built an efficiently-centralised core platform for AI capabilities, achieving unified channeling of AI computing power, algorithms and data while aggregating more than 5,000 algorithms and over 100 scene-based solutions. The Company proactively responded to the national strategy of “East-to-West Computing Resource Transfer” and stepped up deployment with a focus on 8 hub nodes. The Company currently owns more than 700 IDC sites and over 3,000 edge DC, and the number of IDC cabinets amounted to 513,000 with a utilisation rate of over 70%. The Company has the greatest number and the most extensive distribution of IDC resources in China. Surrounding national datacentres, the Company built

¹³ Revenue for Industrial Digitalisation in 2021 has excluded the Internet Finance revenue before the disposal of E-surfing Pay Co., Ltd..

interconnection networks for datacentres with large bandwidth, high reliability, wide coverage and multiple layers. The latency between AZs was below 1ms. The Company continued to give full play to its role in safeguarding network and information security, formed security infrastructure capabilities covering cloud, network, edge and terminal, and completed the construction of “Cloud Dam” platform with full network coverage. The Company’s security capability pools covered more than 150 cities. The Company and China Unicom further promoted 4G/5G co-building and co-sharing. The cumulative number of 5G base stations co-built and co-shared by the two parties exceeded one million while the number of co-shared 4G stations exceeding 1.1 million. The co-building and co-sharing achieved remarkable results. The cumulative investment savings in network construction for both parties amounted to over RMB270 billion, while the annualised savings of operating costs exceeded RMB30 billion, contributing key technologies in co-building and co-sharing as well as operation and management experiences to the global communications industry.

Chairman Ke pointed out that, the building of Digital China is an important driver for the advancement of Chinese modernisation in the digital era. The Company will firmly seize the valuable strategic development opportunities, proactively fulfill its responsibility in building Digital China and insist on seeking progress while maintaining stability. With high-quality development as the theme, digital transformation as the main line, reform, opening and innovation as the driving force, the Company will comprehensively and deeply implement the Cloudification and Digital Transformation strategy while further striving for breakthroughs in key core technologies of digitalisation. The Company will create the supply of digital products with a focus on customer demands, and strive to build a digital service platform that is open and co-shared. The Company will also speed up the construction of the digital information infrastructure, stimulate the potential of data elements and proactively promote reforms of organisations and mechanisms that are adaptable to digital transformation. The Company will tangibly enhance its core competitiveness and accelerate the building of a world-class enterprise.

For further information, please browse the Company’s website at: www.chinatelecom-h.com or scan below QR code to follow China Telecom’s IR public account on Wechat (content available in Chinese only).



FORWARD-LOOKING STATEMENTS

The development strategies, future business plans, prospects and other forward-looking statements in this document do not constitute commitment by China Telecom Corporation Limited (the “Company”) to investors. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, we do not intend to update these forward-looking statements. Investors are advised to pay attention to investment risks.

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