

DIGITALISING the FUTURE



2020 Annual Results

China Telecom Corporation Limited

9 March 2021

www.chinatelecom-h.com

Forward-Looking Statements



Certain statements contained in this document may be viewed as “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934 (as amended). 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 China Telecom Corporation Limited (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. Further information regarding these risks, uncertainties and other factors is included in the Company’s most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the “SEC”) and in the Company’s other filings with the SEC.

Presented by



Mr. Ke Ruiwen

Executive Director, Chairman & CEO

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Mr. Shao Guanglu

Executive Director

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Madam Zhu Min

Executive Director, EVP & CFO



Overview

Business Review &
Financial Performance



Highlights

- 1 Focused on high-quality development with operating results maintained positive trend
- 2 Healthy 5G momentum with co-build and co-share bearing fruits
- 3 Smart Family and broadband mutually promoted with scale and value both enhanced
- 4 Industrial Digitalization led in scale with Overall Cloud continued rapid growth
- 5 Strengthening sci-tech innovation to boost intrinsic power for corporate high-quality development
- 6 Deepening “Cloudification & Digital Transformation” strategy for future development
- 7 A Share IPO and Listing: a new opportunity for reform and development

Solid and Stable Results



	2019	2020	Change
Service Revenue (RMB Mil)	357,610	373,798	4.5%
EBITDA (RMB Mil)	117,215	118,880	1.4%
EBITDA Margin	32.8%	31.8%	-1.0p.p.
Net Profit (RMB Mil)	20,517	20,850	1.6%
EPS (RMB)	0.254	0.258	1.6%
DPS (HKD)	0.125	0.125	-

Note: Unless otherwise stated in this presentation

1. Service Revenue = Operating Revenue (2019: RMB375,734Mil; 2020: RMB393,561Mil) – Sales of Mobile Terminals (2019: RMB9,364Mil; 2020: RMB10,711Mil) – Sales of Wireline Equipment (2019: RMB5,226Mil; 2020: RMB5,430Mil) – Other Non-service Revenue (2019: RMB3,534Mil; 2020: RMB3,622Mil)
2. EBITDA = Operating Revenue – Operating Expenses + Depreciation & Amortization; EBITDA Margin = EBITDA / Service Revenue
3. Net Profit represents profit attributable to equity holders of the Company
4. All % and percentage point (p.p.) changes in this presentation are either 2020 vs 2019, or 2020.12 vs 2019.12

High-quality Development Started to Reward



Well-coordinated epidemic control and business development led to positive trend of operating results

Service revenue growth

China Telecom **4.5%** > Industry average 3.6%

Overall Cloud revenue

RMB13.8Bil
↑58.4%

Smart Family revenue growth

37.5%

Mobile subs net add

>15Mil

Industry-best

5G SA

1st to Scale Commercialize

Overall user satisfaction

Industry-leading

- Note: 1. Source of industry service revenue growth in 2020: Ministry of Industry and Information Technology (MIIT)
2. Overall Cloud includes Industry Cloud, Family Cloud and access service directly related to cloud, etc.
3. Source of user satisfaction ranking: Result of MIIT's national user satisfaction survey on telecommunications service quality

2C: Solid scale development with value creation capability beginning to manifest

Scale development

5G package subs
86.50Mil

5G DOU
13.4GB

Value enhancement

4G upgrade
ARPU uplift
≈10%

5G ARPU
RMB**65.6**

Application enrichment

- 1st to launch **5G cloud handset, “e-Surfing One”**, for cloud/handset duo experience
- Offered new, flexible, highly-efficient office products, such as e-Surfing Cloud PC, cloud desktop, etc.
- Enriched content with e-Surfing UHD, cloud VR, cloud games, etc.

2B: Promoted commercialization with SA products launched

Cumulative no. of customers
secured

≈1,900

Use cases

>1,100

Vertical industries

- Industrial Internet
- Smart energy
- Smart parks
- Transportation and logistics, etc.

Use cases

- HD live broadcast
- Industrial visual inspection
- Remote control
- Machine vision
- AGV navigation, etc.

Billing models

- Data consumption
- Peak downlink speed
- Value-added services
- Computing resources
- Capability access
- Platform application services, etc.

Ecology development Established **application capability platform** for education, telemedicine, industrial vision, urban and transportation management

5G customized network 3 modes to match customer needs

	Coverage	Latency	Security	Examples of use case
Wide-area	Wide area	Low	High	IoV, education, healthcare
Adjacent	Dedicated open areas	Low	High	Smart factory, smart parks
Wingspan	Confined areas	Very low	Very High	Smart power grid, coal mine

Note: 1. 5G ARPU and 5G DOU are computed from the average of the total 5G package subs of each month
2. Please scan QR code on p. 28 to learn more about China Telecom’s 5G 2B commercialized applications



Progressive 5G Network Construction with Meaningful Benefits of Co-build and Co-share



Co-build and co-share: 1+1>2

2020

5G CAPEX

RMB **39.2** Bil

5G BTS in use

380k

vs 2019.12 **↑300k**

- Contiguous coverage in outdoor areas for all prefecture level or above cities and certain developed counties, and indoor coverage for key buildings
- World's 1st peak network speed of **2.7Gbps**
- **>RMB60Bil** capex savings for both parties throughout the year, and substantial savings for electricity, tower rentals, maintenance and repair and other costs

2021 plan

5G CAPEX

RMB **39.7** Bil

Planned 5G BTS in use
by year end

700k

vs 2020.12 **↑320k**

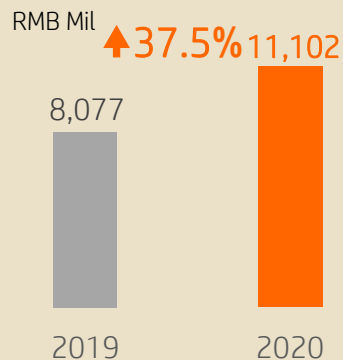
- Coverage to extend to all counties and certain developed towns
- To deploy on demand:
 - ⊕ Mid-to-high traffic areas – 3.5GHz for large bandwidth and high capacity
 - ⊕ Counties and developed towns – 2.1GHz for medium capacity
 - ⊕ 5G customized networks
- To promote industry-wide co-build and co-share in rural areas, railways and highways

Smart Family and Broadband Mutually Promoted to Achieve Revenue Growths Together

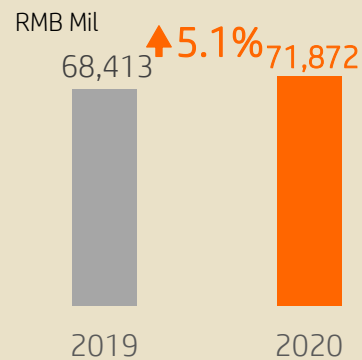
Upgraded 280 cities with Gbps fibre network to prompt family informatization development

Robust growth of Smart Family and broadband revenues and scale

Smart Family revenue



Broadband access revenue



Broadband subs
159Mil

Whole-home WiFi subs

+117%

Smart Family platform connected devices

+61.5%

e-Surfing Webcam subs

+505%

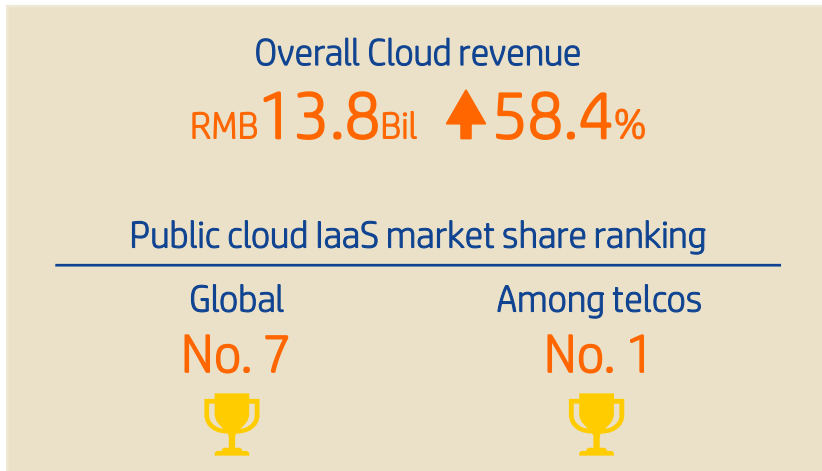
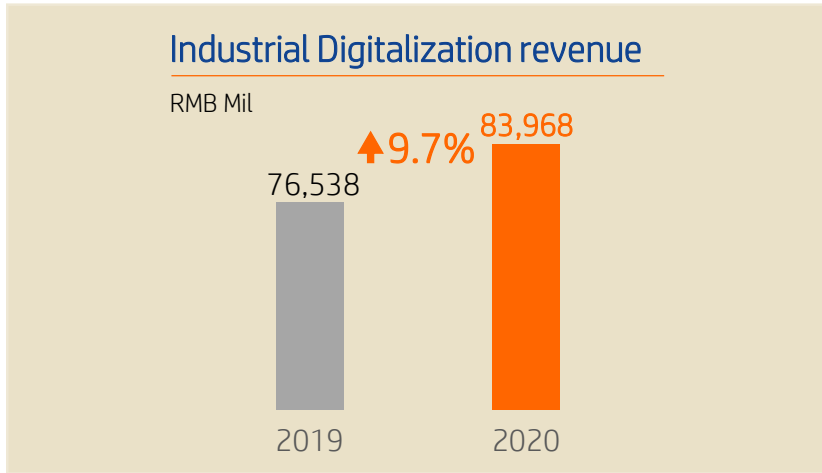
Triple-Gbps access to drive enrichment of Smart Family applications

- Smart **connectivity upgrade**: Offer household Gbps access and AIoT networking capability supported by cloud-network integration
- Smart **applications upgrade**: From increasing penetrations of Whole-home WiFi, e-Surfing Webcam, Family Cloud towards whole home smart upgrade
- Smart **platform upgrade**: From family IoT to NB-IoT, smart community applying AI and Big Data, for integration and mutual promotion of platform capabilities and aggregating ecologies of industry



Note: "Triple-Gbps" access service comprises 5G, fibre broadband and Wifi 6

Industrial Digitalization Leadership Sustained with Fast-growing Cloud Business



Differentiated edges forge leadership

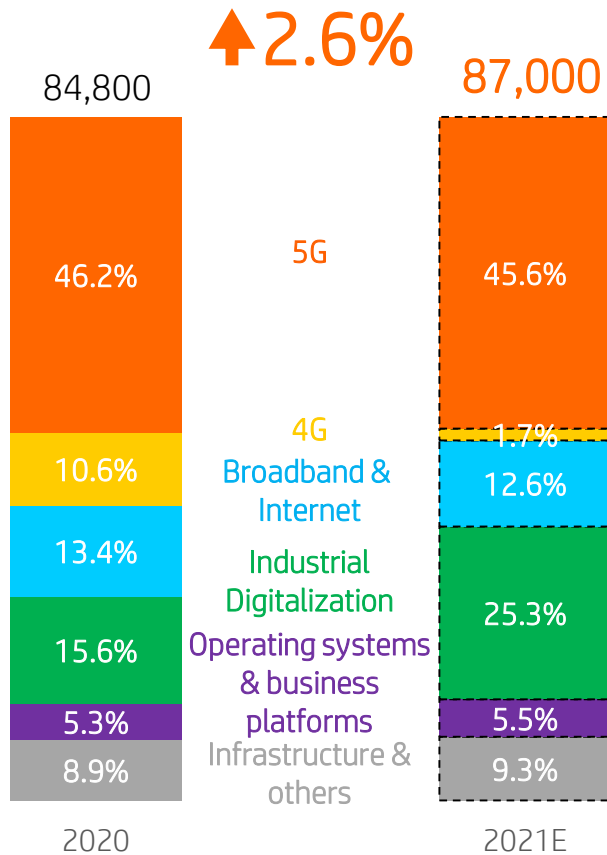
- Cloud-network integration** Cloud: **2+4+31+X+0** layout
Network: Cloud/IDC-centric networking for precise reduction of cloud access and inter-cloud latency, creating network differentiation
- Cloud-edge coordination** Deployed **edge computing capabilities** with massive no. of edge sites, boasting **low latency, data localization, security and differentiated servicing capabilities**
- Cloud product capabilities** Strengthened full stack cloud servicing capabilities, developed **proprietary key core technologies of e-Surfing Cloud** and built e-Surfing Cloud application platform, forging a unified cloud product portfolio integrating cloud, data and intelligence
- Security and reliability** Continued to enhance security capability of **blocking DDoS attacks from the origin**; possessed full series security and protection capability; stepped up R&D of quantum communications
- Platform capability** Aggregated 10 fundamental capabilities such as **communications, AI, Big Data, IoT**, etc., on the digitalized platform to inject intelligence powered by data, provide endowment for products and services

Note: 1. Industrial Digitalization includes IDC, Industry Cloud, Network Dedicated Line, Internet of Things (IoT), Internet Finance, system integration services and other informatization services
 2. Source of public cloud IaaS ranking: Released by IDC in 2019

Optimized CAPEX Structure to Focus on New Growth Drivers

CAPEX

RMB Mil



2021 CAPEX to focus on new growth engines

5G/4G/ Broadband & Internet

- CAPEX reduced by 12% yoy
- 5G: Stable yoy, self-built new 5G BTS≈180k
- 4G: Substantially reduced yoy, no new main equipment purchase and to further utilize existing resources
- Broadband & Internet: Stable yoy, mainly to modify and construct FTTH ports, and add new 10G PON ports

Industrial Digitalization

- CAPEX substantially increased by 67% yoy
- Cloud: To build 100k servers, scale deployment of MEC/edge cloud businesses
- IDC: Focus on 4 key regions (Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macau, and Shaanxi-Sichuan-Chongqing); to build 52k newly commissioned cabinets (of which: self-built 22k cabinets)

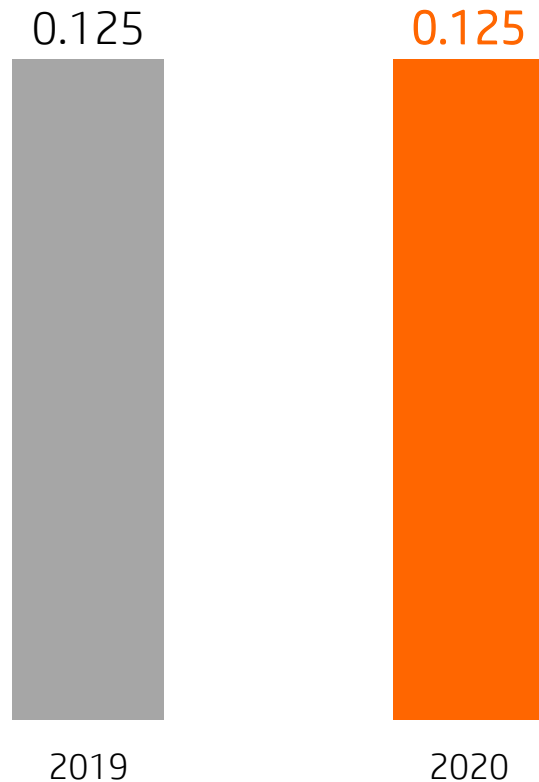
Operating systems and infrastructure

- CAPEX stable yoy

Dividend

Dividend per Share

HKD



The Board of Directors recommend to the shareholders a final dividend of **HKD0.125** for 2020

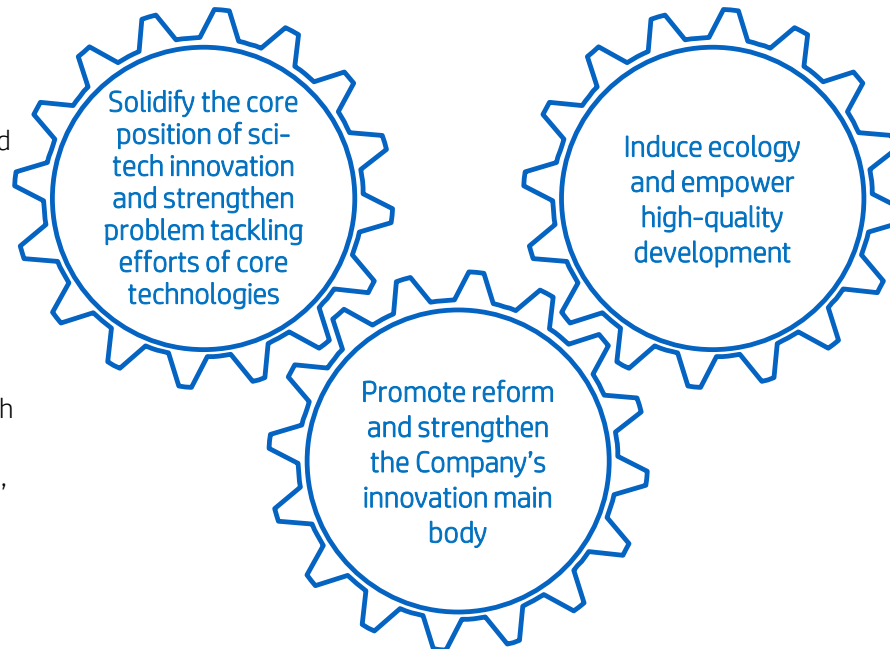
Sincere gratitude to support from shareholders
Let's join hands to share fruits of development together

The Company will seize the 5G opportunity and take due account into shareholders' returns, cash flow and capital requirement for future development, to strive to deliver good returns to shareholders and maintain the sustainability and stability of dividend

Promote Sci-tech Innovation to Boost Intrinsic Power for Corporate High-quality Development

Sci-tech achievements to drive corporate growth with sci-tech self-reliance and self-improvement as strategic support for corporate development

- **Key fundamental technologies of cloud computing and cloud-network integration:** Self-developed “e-Surfing Cloud 3.0” and possessed PaaS platform and other 20 core technologies
- **Core technologies of edge platform and cloud-edge coordination:** Self-developed 5G cloud-based network elements and MEC edge platform
- **Fundamental technologies of digitalization:** Strengthen research of Industrial Digitalization technologies, such as AI, Big Data, etc.
- **Cutting-edge technologies:** Commence cooperation and innovation on quantum communications and 6G

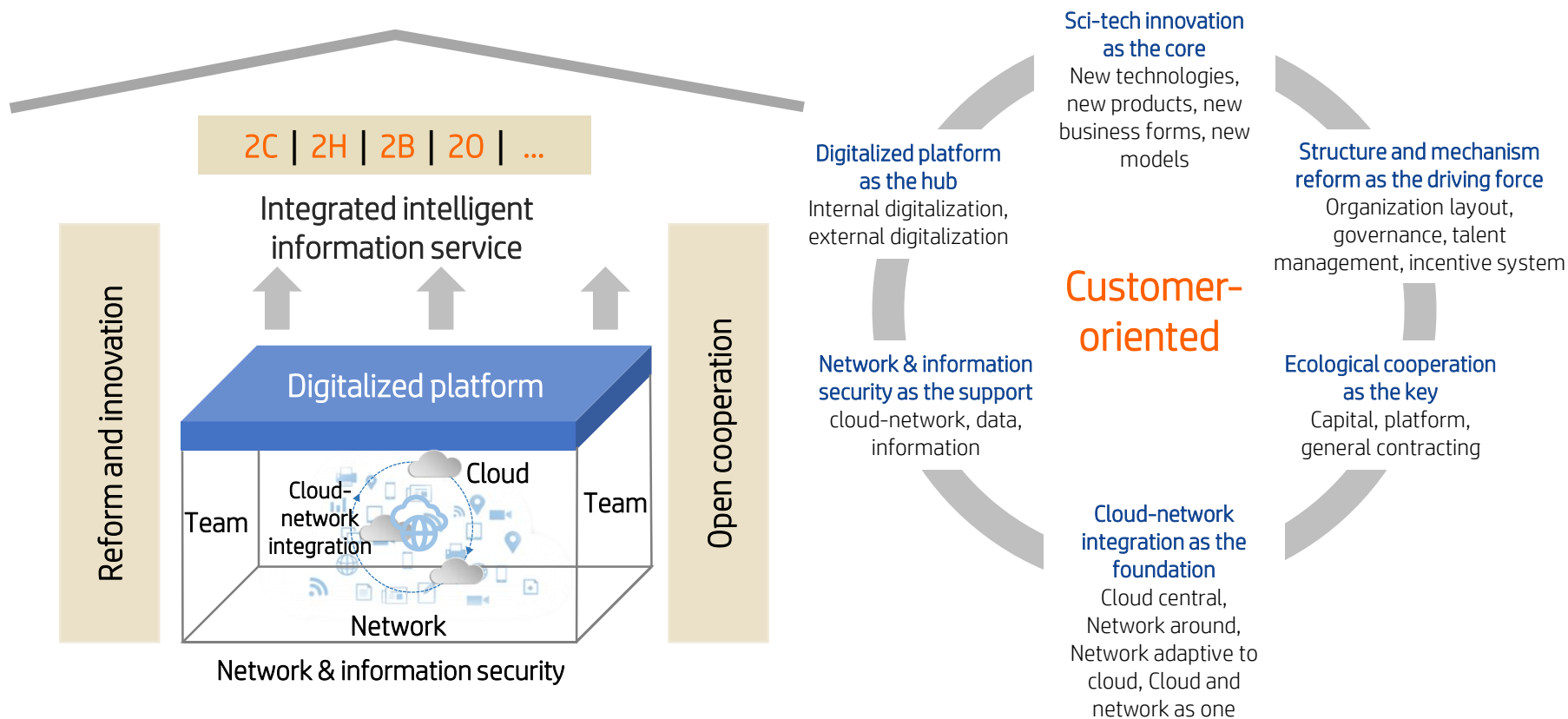


- **Established pathways for achievement transformation:** Published the list of research achievements and product transformation in 2020, completing the transformation of 15 R&D achievements
- **Commenced industry-academia-R&D institute ecological cooperation:** Join hands with universities, national laboratories, etc. to promote research on key technologies and innovation of applications and services, and plan for emerging industries development

- **Internal – reform, consolidation and coordination:** Conduct market-oriented reform on research institute and cloud company; stepped up R&D initiatives, nurtured and acquired leadership talents in cloud-network integration; innovated incentive mechanisms
- **External – cooperation, innovation and breakthroughs:** Promote joint technological problem tackling in AI, smart transportation and other areas

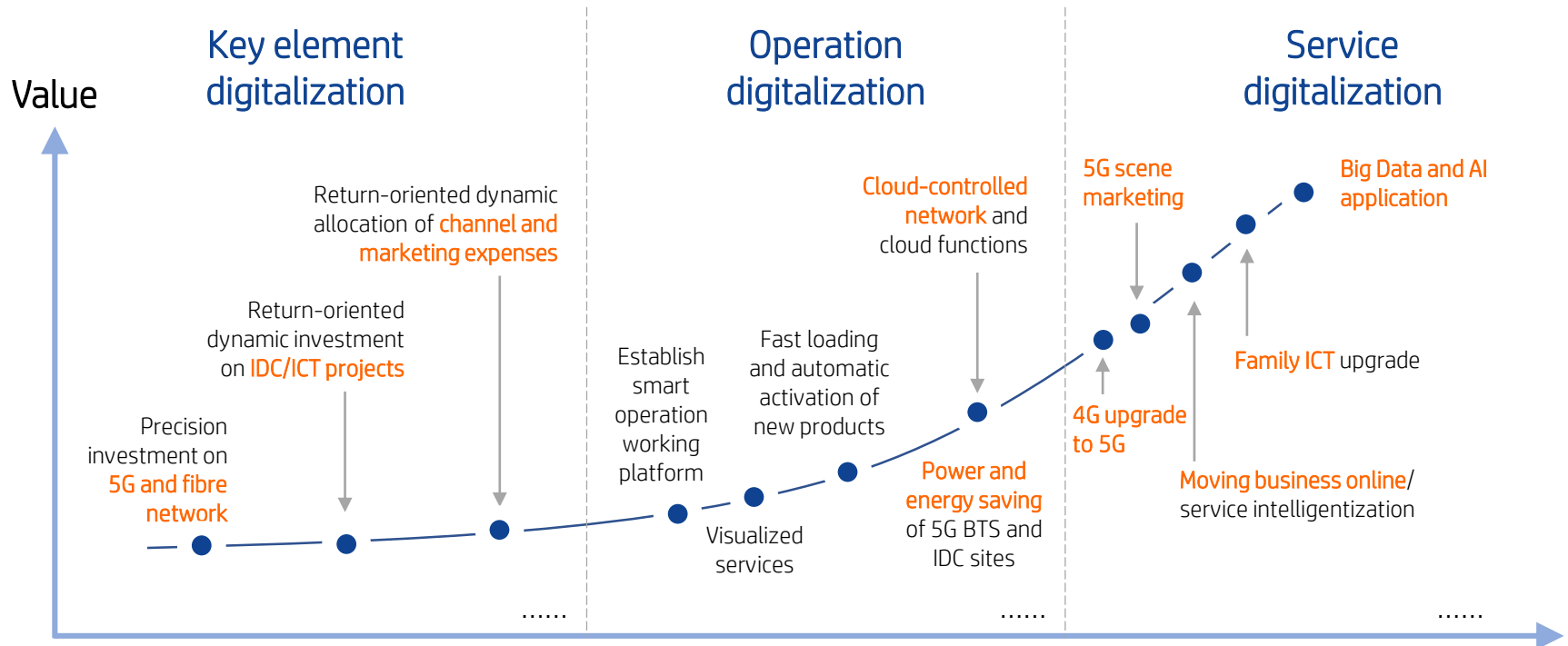
Deepening “Cloudification & Digital Transformation” Strategy for Future Development

The essence of “Cloudification & Digital Transformation” strategy is to be customer-oriented while promoting cloud & network convergence based digital upgrade, and innovating digital products and services offering, to provide integrated intelligent information service for 2B/2H/2C customers



Deepening “Cloudification & Digital Transformation” Strategy to Enhance Operating Efficiency and Customer Value

- Accelerate **cloud migration, intelligent empowerment by data**, promote digitalization of investment/maintenance and repair/sales and marketing, to promote **quality and efficiency enhancement** and **energy saving and emission reduction**
- Leverage digitalized platform to carry and aggregate internal capabilities and digital ecologies, to **expedite digitalization of product, services and industries**



A Share Public Offering: China Telecom's New Opportunity for Reform and Development



Grasping opportunities, Accelerating reform,
Improving governance, Diversifying financing and Increasing value

Listing Place	Plan to list on the Main Board of the Shanghai Stock Exchange
Offering Size	<ul style="list-style-type: none"> Plan to issue <12,093,342,392 A Shares prior to Over-allotment (namely <13% of the total issued share capital upon the A Share Offering) Over-allotment option: <15% of the A Share issued prior to the Over-allotment
Target Subscribers	<ul style="list-style-type: none"> Qualified natural persons and institutional investors Placement to strategic investors
Use of Proceeds	<ul style="list-style-type: none"> √ 5G Industrial Internet √ R&D of Sci-tech innovation √ Cloud-network integration new information infrastructure

Share fruitful results of high-quality development with shareholders

“Cloudification & Digital Transformation” Strategy



A Share IPO and Listing

- **9 March 2021**
A Share IPO and listing proposal approval by the Board and announcement
- **9 April 2021**
EGM, H Shareholders' and Domestic Shareholders' Class Meetings to be held
- **Next**
To submit A Share IPO and listing application to CSRC, after approvals by EGM, H Shareholders' and Domestic Shareholders' Class Meetings



Overview



▶ Business Review & Financial Performance

Mobile Business: Growth Momentum Continued



Both revenue and scale enhanced

Mobile service revenue

↑3.5%

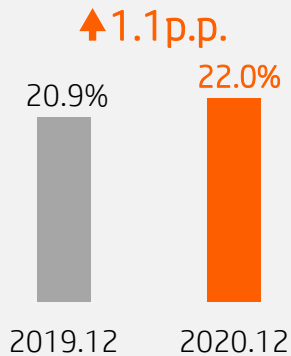
Total mobile subs

351 Mil

Handset Internet access revenue

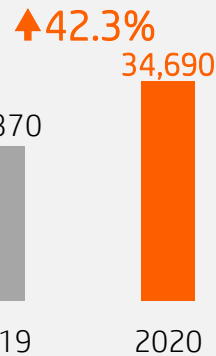
↑6.0%

Subs market share



Handset data traffic

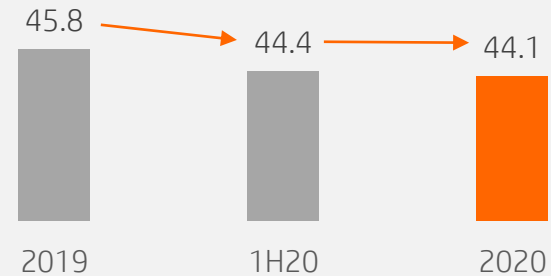
kTB



Subs value stabilized

Mobile ARPU

RMB



Enriching application and privileges

- Members-exclusive privileges: Launched >100 eco-privileges
- **Cloud games**: Industry's 1st to launch "Flying Cloud" platform with TV and PC versions to enrich product eco-footprint
- Content introduction: **UHD** – Multilateral partnership to build collaborative ecosphere on content; **cloud VR** – Commenced international collaboration and initiated the **Global XR Content Telco Alliance**

Smart Family: Informatization Applications Drove Rapid Revenue Growth

Integration and mutual promotion of Broadband and Smart Family raised revenue and subs value

Smart Family revenue soared

Smart Family revenue

↑37.5%

e-Surfing HD (IPTV)
revenue

↑15.3%

Whole-home WiFi
revenue

↑110%

e-Surfing Webcam
revenue

↑775%

Revenue growth propelled ARPU rebound

Broadband access ARPU

RMB

38.1

↑0.8%

38.4

2019

2020

Broadband blended ARPU

RMB

42.6

↑4.2%

44.4

2019

2020

Penetration increased rapidly

Family Cloud
penetration

32.8%

↑6.0p.p.

Whole-home WiFi
penetration

24.5%

↑12.8p.p.

e-Surfing Webcam
penetration

5.6%

↑4.6p.p.

Continue to develop Smart Family servicing capabilities

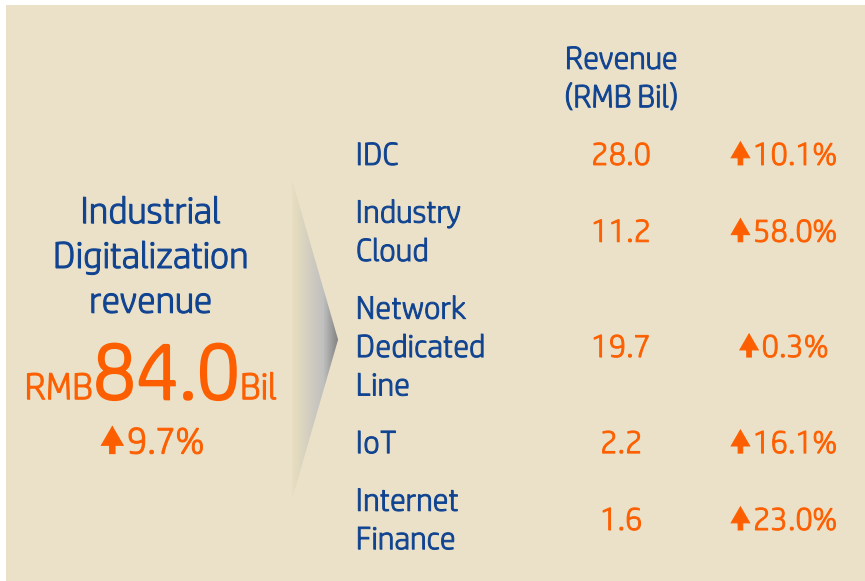
- Operation: Family network visualization, smart living eco cooperation, efficiently-centralized operation of long videos, integration with smart communities
- Application: Build household Gbps WiFi coverage capability, cloud-network delivery capability, AI capability for e-Surfing Webcam
- Content: Audio/Video entertainment, education, office admin, health, etc.
- Technology: Enhance Smart Family e-Home protocol system, support cross-brand device inter-connection, enable coordination of various types of IoT devices of different protocols and interaction under designated scenarios

Note: Broadband blended ARPU = Sum of monthly average of revenues from broadband access, e-Surfing HD and Smart Family applications and services / average broadband subs

Industrial Digitalization: Leadership Maintained



Both revenue and scale enhanced



Proactive planning fostered development

- IoT**
 - Focus on utilities, industrial Internet, etc., to drive scale
 - Strengthen integrated capabilities on network, platform, ecology, etc.; expand commercialization and monetization of fundamental capabilities
 - V2X: Focus on network construction for vehicle-road coordination; customized solution based on 5G and C-V2X, etc.
- Internet Finance**
 - Focus on “digital life services”
 - Promote “self-operate + jointly-operate”
 - Promote capability packaging to form products and services
- Network Dedicated Line**
 - Provide differentiated product options; cloud-based dedicated line obtained “Trusted Cloud Cloud-network Integration Solution” certification
 - Optimize activation process with visualization to enhance activation and delivery efficiency

Deepened enterprise service structure reform with customer-oriented approach

Targeted customers and established business groups of >10 industries

Closer to customers
In-depth insights
Professional services

Forged platforms for unified development and fundamental capabilities

Decoupled systems
Open for development and sharing
Supported customers’ digital transformation

Optimized system integration structure by refining the teams

General contracting of system integration
Secondary development
Enhanced delivery and operation capabilities

Open cooperation to aggregate industry ecology

Converged content and applications
Enriched integrated intelligent information services

Note: The relevant “Trusted Cloud Cloud-Network Integration Solution” certification was issued by OpenSource Cloud Alliance for Industry

IDC: Industry-leading Resources Scale with Precision Investment to Seize Opportunities

Abundant IDC portfolio and network resources

≈700 sites 420k cabinets
nationwide

 Industry No. 1

Latency
Millisecond-grade

- % of IDC in Tier-1 cities: 50%
- 5-star+ sites: 4; 5-star sites: 43; 4-star sites: 88
- IDCs allow multi-cloud and multi-line access
- Massive no. of edge sites to forge cloud-edge coordination capability
- High-speed Internet access creates advantage in connections to cater low latency demand
- Flexible, convenient, secure and reliable; smart cloud access on demand, networking and inter-cloud services
- Competitive edge: Network, cloud-network integration, rich experience on information security and archival administration

Keen demand supports high utilization rate

Cabinets utilization rate

Overall

≈70%

Tier-1 cities

73%

↑3p.p.

Proactive planning and precision investment

- Expedite IDC construction in key regions: Beijing-Tianjin-Hebei, Mongolia and Guizhou sites, Yangtze River Delta, Guangdong-Hong Kong-Macau, Shaanxi-Sichuan-Chongqing, etc.
- 2020: Commissioned 55k cabinets, including 20k cabinets in self-built mid-to-large sites

Cloud: Core Technological Breakthroughs with Diversified Smart Use Cases Launched

5G + e-Surfing Cloud + AI
support >100 new use cases

Smart cities



Industrial Internet



Finance



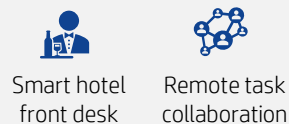
Education



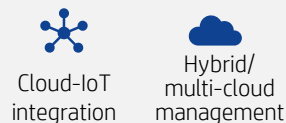
Healthcare



SME



General use cases



Key core technological breakthroughs
facilitate differentiation

IaaS

- Completed planning of public/private/dedicated/hybrid/edge cloud layout
- Supports unified management of X86 and localized structure
- Developed mega-scale cloud platform for software-hardware coordination
- Propriarily developed IaaS products, e.g. SD-WAN, etc.

PaaS

- Cloud originated common PaaS platform for cloud-edge coordination
- Breakthroughs in multiple core PaaS technologies, e.g. distributive database

CDN/ AI/ Cloud handset

- CDN: Millisecond-grade distribution capability for 8K, VR/AR; new video distribution technology with back-to-source $\downarrow > 50\%$ and caching performance $\uparrow > 30\%$
- AI: “Zhu Ge AI” platform officially commercialized; proprietary “Commonwealth” product verification model performance $\uparrow 15\%$
- Cloud handset: Proprietary technological innovation to reduce bandwidth usage substantially; “e-Surfing One” cloud handset officially commercialized

Precision Initiatives to Enhance Cost Effectiveness



RMB Mil	2020	Change	Change as a % of Service Revenue	
Operating Expenses	364,921	5.3%		
Incl: Depreciation & Amortization	90,240	2.4%	-0.5p.p.	
Network Operations & Support	119,517	8.9%	1.3p.p.	Appropriately increased to continue to optimize network quality and enhance user experience and proactively support 5G and Industrial Digitalization development
Personnel	65,989	3.8%	-0.1p.p.	Continued to enhance advanced sci-tech talent recruitment and incentivize frontline staff and high-performance teams, and to boost staff vitality
SG&A	55,059	-4.0%	-1.3p.p.	Continued to optimize marketing model, enhanced online/offline full channel operation capability, strengthened precision sales initiatives to increase efficiency
Interconnection	12,050	-5.0%	-0.3p.p.	
Asset Impairment: 3G Specific Network and etc.	5,042	-	-	Substantial frequency reduction of 3G network facilitated release of low frequency resource at 800MHz, resulting in 3G specific network asset impairment

Digitalized Platform Empowers Internally to Facilitate Quality and Efficiency Enhancement of Operation and Management



Cloudification and digitalization of internal operation facilitated quality and efficiency enhancement, energy saving and emission reduction

Quality and efficiency enhancement

Precision marketing coverage in consumer market

85%

% of subs developed via e-channels

↑7.0 p.p.

Tower sharing ratio

↑3.5 p.p.

Cost and energy saving

No. of IDC sites with smart energy saving measures

131

Annualized maintenance cost of fixed assets per RMB100

↓2.0%

Selling expense

↓6.2%

Remain focused on key areas to enhance efficiency

Meticulous organizing with all staff participation

Commenced efficiency enhancement program involving all regions, all elements, all processes and all staff

Responsibility clarified with key areas focused

Strengthened matching responsibility with right and interest, and promote the concept of accountability of expenses based on return

Firm promotion of multi-pronged measures

Highlight cost reduction by management, reform and technological innovation

Incentivization and restriction in sync with stable progress

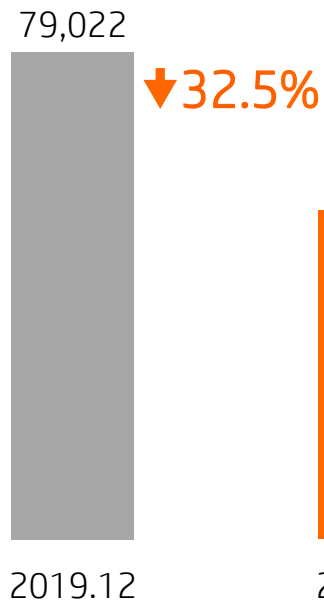
Incentivization as the primary means; efficiency-oriented reward and penalty mechanism in place for resource allocation

Enhanced Financial Strength

Efficiently-centralized capital management reduced interest-bearing debts;
Healthy capital structure to support sustainable development

Total Debt

RMB Mil

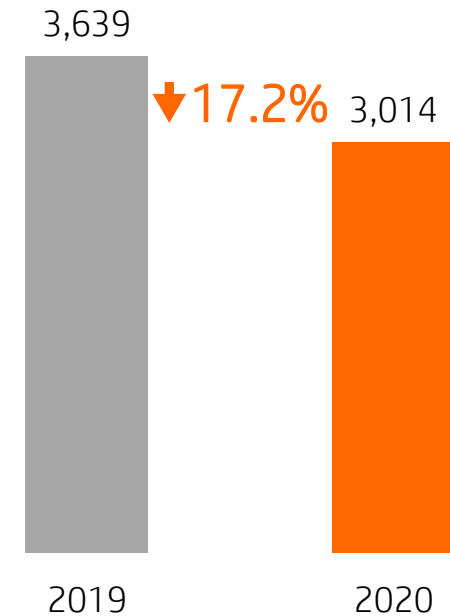


Total Debt/ Total Capitalization



Net Financial Costs

RMB Mil



Note: Debt in the charts above represents interest-bearing debts excluding lease liabilities

Customer-oriented and Carrying On High-quality Development



2021: Implementing “Cloudification & Digital Transformation” strategy

To ensure strategic support to **sci-tech innovation** and to achieve breakthrough of key core technologies

To adhere to **customer-oriented** principle and to accelerate service upgrade and business expansion

To accelerate construction of new infrastructure for cloud-network integration and to empower **internal and external digital transformation**

To push forward **mechanism and structural reform** and to inject new vitality and impetus to corporate development

2021 Key Targets

Mobile subs net add	12Mil
Incl.: 5G package subs net add	80Mil
Broadband subs net add	5Mil
Industrial Digitalization revenue	Strive to achieve double-digit growth
Service revenue	Maintain healthy growth
Net profit	Maintain healthy growth
Dividend	Remain stable



*No. 1 Best Telecommunications
Company in Asia*



*Asia's Most Honored
Company*

Thank You!

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Investor Relations Department at
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*Asia's Icon
on Corporate Governance*



*Platinum Award –
Excellence in Environmental,
Social and Governance*



Scan QR code to learn more about
China Telecom's 5G 2B applications

Appendix 1: Revenue Breakdown



RMB Mil	2019	2020	Change
Service Revenue	357,610	373,798	4.5%
Mobile Service Revenue	175,546	181,687	3.5%
Incl: Voice	26,721	24,832	-7.1%
Data	148,447	156,443	5.4%
Incl.: Handset Internet Access	123,203	130,655	6.0%
Others	378	412	9.0%
Wireline Service Revenue	182,064	192,111	5.5%
Incl: Voice	18,425	16,034	-13.0%
Data	158,398	171,084	8.0%
Incl: Broadband Access	68,413	71,872	5.1%
Information & Application Services	65,245	73,701	13.0%
Others	5,241	4,993	-4.7%
Sales of Terminals & Equipment and Others	18,124	19,763	9.0%
Sales of Mobile Terminals & Equipment	9,364	10,711	14.4%
Sales of Wireline Equipment & Other Non-service Revenue	8,760	9,052	3.3%
Total	375,734	393,561	4.7%

RMB Mil	2019	2020	Change
Smart Family	8,077	11,102	37.5%
Industrial Digitalization	76,538	83,968	9.7%
Incl.: IDC	25,405	27,975	10.1%
Industry Cloud	7,074	11,175	58.0%
Network Dedicated Line	19,689	19,744	0.3%
IoT	1,868	2,169	16.1%
Internet Finance	1,339	1,647	23.0%

Smart Family includes e-Surfing HD (IPTV), Whole-home WiFi, Family Cloud, e-Surfing Webcam & other Smart Family Applications

Industrial Digitalization

Industry Cloud includes mobile and wireline Industry Cloud

IoT includes mobile data traffic, SMS, value-added services & applications related to IoT, other IoT Projects, etc.

Internet Finance includes BestPay & other Internet Finance

Appendix 2: Key Financial Information



RMB Mil	2019	2020	Change
Operating Revenue	375,734	393,561	4.7%
Service Revenue	357,610	373,798	4.5%
Sales of Terminals & Equipment and Others	18,124	19,763	9.0%
Operating Expenses	346,664	364,921	5.3%
Depreciation & Amortization	88,145	90,240	2.4%
Network Operations & Support	109,799	119,517	8.9%
<i>Incl.: Tower Usage Fee</i>	9,652	10,069	4.3%
Personnel	63,567	65,989	3.8%
SG&A	57,361	55,059	-4.0%
<i>Incl.: Selling Expense</i>	48,472	45,447	-6.2%
Interconnection & Others	27,792	29,074	4.6%
<i>Incl.: Interconnection</i>	12,683	12,050	-5.0%
<i>Cost of Terminals & Equipment Sold</i>	13,413	15,439	15.1%
Asset Impairment: 3G Specific Network and etc.	-	5,042	-
Operating Profit	29,070	28,640	-1.5%
Net Profit	20,517	20,850	1.6%

Note: Excluding the impact resulting from the application of IFRS 16, the tower usage fee in 2020 was RMB18,344Mil

Appendix 3



Extracted from Audited Consolidated Statement of Comprehensive Income for the Year Ended 31 Dec 2020

RMB Mil	2019	2020
Operating Revenue	375,734	393,561
Operating Expenses	(346,664)	(364,921)
Net Finance Costs	(3,639)	(3,014)
Investment Income, Share of Profits of Associates	1,603	1,761
Profit Before Taxation	27,034	27,387
Income Tax	(6,322)	(6,307)
Profit for the Year	20,712	21,080
Equity Holders of the Company	20,517	20,850
Non-controlling Interests	195	230

Extracted from Audited Consolidated Statement of Financial Position as at 31 Dec 2020

RMB Mil	2019.12	2020.12
Current Assets	73,182	84,016
Non-current Assets	629,949	631,080
Total Assets	703,131	715,096
Current Liabilities	264,661	271,142
Non-current Liabilities	83,430	77,779
Total Liabilities	348,091	348,921
Total Equity	355,040	366,175
Equity Attributable to Equity Holders of the Company	352,510	363,456
Non-controlling Interests	2,530	2,719

Appendix 4

Selected Operating Metrics for the Year Ended 31 December 2020

Subscriber (Mil)	2019.12	2020.12	Change
Mobile	335.57	351.02	15.45
Incl.: 5G package	4.61	86.50	81.89
Wireline Broadband	153.13	158.53	5.40
Access Lines in Service	110.85	107.88	-2.97
e-Surfing HD	112.62	115.92	3.30
IoT Connected Devices	157.41	237.60	80.19

	2019	2020	Change
Mobile ARPU (RMB)	45.8	44.1	-3.7%
5G ARPU (RMB)	-	65.6	-
5G DOU (GB / Sub / Month)	-	13.4	-
Handset Data Traffic (kTB)	24,370	34,690	42.3%
Wireline Broadband ARPU (RMB)	38.1	38.4	0.8%
Wireline Broadband Blended ARPU (RMB)	42.6	44.4	4.2%