



2022 Interim Results

China Telecom Corporation Limited

16 August 2022
www.chinatelecom-h.com

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.

Presented by



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Executive Director, Chairman & CEO

Mr. Shao Guanglu

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EVP

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Overview

Mr. Ke Ruiwen, Executive Director, Chairman & CEO

Business Review & Financial Performance



Summary of Highlights



- 1 ▶ High-quality development achieved new results with revenue and profit maintained double-digit growth
- 2 ▶ Fundamental businesses grew steadily while Industrial Digitalisation demonstrated strong momentum
- 3 ▶ e-Surfing undertakes to co-develop national cloud and maintains leadership in empowering thousands of industries
- 4 ▶ Iteration and upgrade in cloud-network integration with sci-tech innovation promotes development
- 5 ▶ Further deepen corporate reform and steadily expand ecological cooperation
- 6 ▶ Interim dividend declared for the first time and continue to enhance shareholders' returns
- 7 ▶ Fully implement Cloudification and Digital Transformation to build a world-class enterprise

Double-digit Revenue and Net Profit Growths with Profitability Continuously Increased



RMB Mil	1H2021	1H2022	Change
Operating Revenues	219,237	242,319	10.5%
Incl.: Service Revenues	203,502	221,384	8.8%
EBITDA	66,348	69,848	5.3%
Net Profit	17,743	18,291	3.1%
Comparable Net Profit	16,327	18,291	12.0%
Interim DPS (RMB)	-	0.12	-

Note: 1. Service Revenues = Operating Revenues (1H2021: RMB219,237Mil; 1H2022: RMB242,319Mil) – Sales of Mobile Terminals (1H2021: RMB10,367Mil; 1H2022: RMB14,736Mil) – Sales of Wireline Equipment (1H2021: RMB3,677Mil; 1H2022: RMB4,099Mil) – Other Non-service Revenues (1H2021: RMB1,691Mil; 1H2022: RMB2,100Mil)
 2. EBITDA = Operating Revenues – Operating Expenses + Depreciation & Amortisation
 3. Net Profit represents profit attributable to equity holders of the Company; Comparable Net Profit represents net profit excluding the one-off after-tax gain from the disposal of subsidiaries of RMB1,416Mil in 2021
 4. Unless otherwise specified, all % and percentage point (p.p.) changes in this presentation are either 1H2022 vs 1H2021, or 2022.6.30 vs 2021.6.30; all figures are based on International Financial Reporting Standards (“IFRSs”)

High-quality Development Achieved Prominent Results



Revenue growth remained robust

Operating revenues

↑ 10.5%

Maintained double-digit growth

Service revenues

↑ 8.8%

Above industry average

Profitability further enhanced

Comparable net profit

↑ 12.0%

Maintained double-digit growth

Surpassed revenue growth

Industry-leading customer service

 Telecom user satisfaction
Industry No. 1

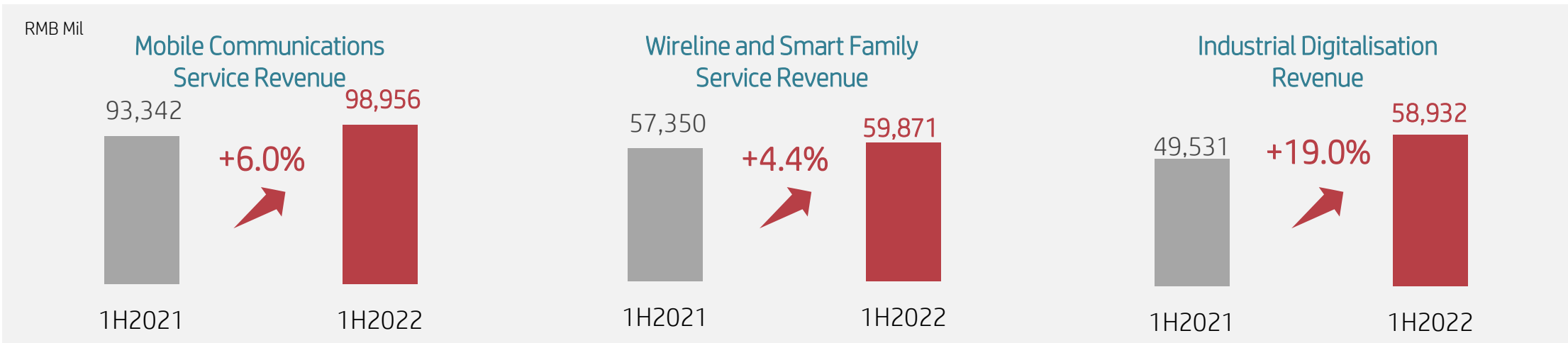
 Telecom user complaint rate
Industry-lowest

- Note: 1. Industry's service revenue in 1H2022 increased by 8.5%, calculated based on figures reported by the three Hong Kong-listed Chinese telcos
2. Source of telecom user satisfaction and complaint rate information: MIIT

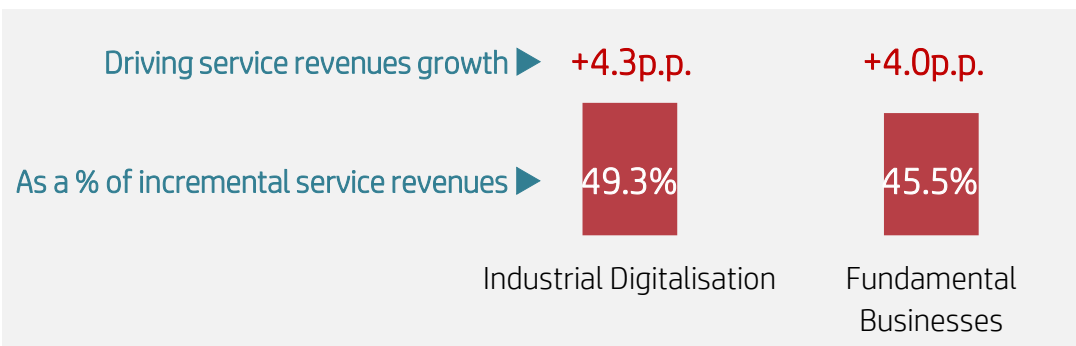
Fundamental Revenues Increased Steadily while Industrial Digitalisation Grew Rapidly



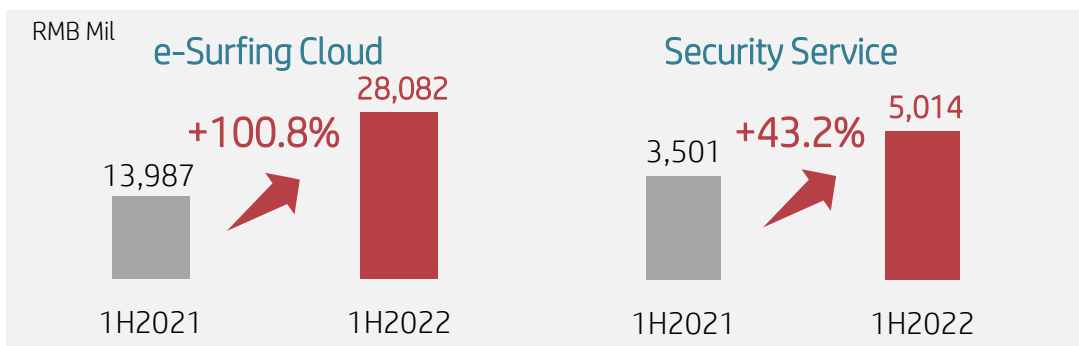
Revenues increased across-the-board



Growth Drivers Well-balanced



Initial New Momentum



Note: 1. The Industrial Digitalisation revenue growth of 1H2021 and 1H2022, and its % to service revenues in 1H2020 and 1H2021 on this page, p. 24 and p. 30 are calculated by excluding the Internet Finance revenue figure of E-surfing Pay Co., Ltd. (which was disposed of in April 2021), in which RMB634 million was deducted from Industrial Digitalisation revenue and service revenues in 1H2020 and RMB582 million deducted from that in 1H2021 respectively
 2. Fundamental businesses refer to Mobile Communications Service and Wireline and Smart Family Service

Continue to Establish e-Surfing Cloud's Core Competitiveness to Co-develop National Cloud

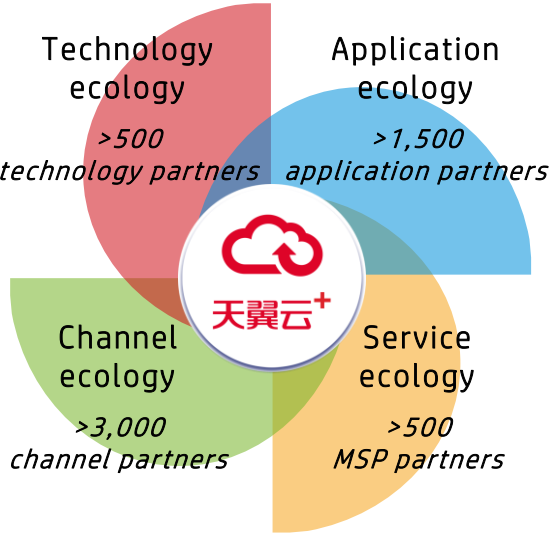


Core technologies independent and controllable

- To become the initiator of original cloud computing technologies
- **Deploy independent and controllable e-Surfing Cloud operating system CloudOS4.0:** Leverage unified technology stack to achieve full stack product innovation from ultra-massive, multiple availability zones (AZs) large-scale public clouds to polymorphic hybrid cloud services
 - **Breakthroughs in two fundamental softwares:** Achieve independent and self-control of the core technologies of cloud server operating system CTyunOS and cloud native database TeleDB and fully commercialised
 - **Construct software-hardware coordinated next generation computing structure:** Proprietary DPU achieved e-Surfing Cloud hardware acceleration, developed P4 programmable gateway, scale commercialisation of deep-customisable server
 - **Achieve multiple chip architectures in a single cloud:** e-Surfing Cloud fully compatible with mainstream domestic chips and SaaS services



Co-develop National Cloud and lead future with intelligence



Network resource capability further enhanced

- **Formed 2+4+31+X layered resource layout:** Strengthen the computing power construction of hubs/nodes of integrated national big data centre and construct cloud-network integrated infrastructure
- **Deploy localised full-product capability pool in 31 provinces:** “One-City-One-Pool of Cloud Resources” covering >160 cities; deploy edge cloud at >800 nodes

Fully upgrade eco-cooperation

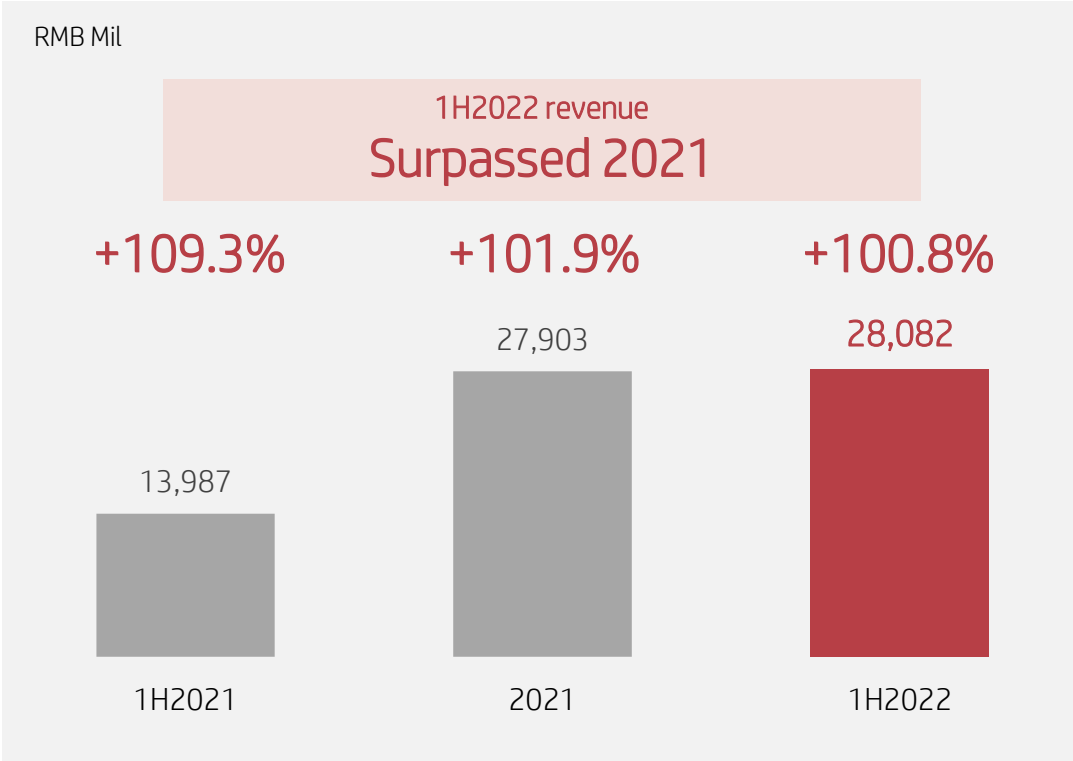
- | | |
|----------------|-----------------|
| Broadest range | Best service |
| Best value | Farthest growth |
- Fully upgrade e-Surfing Cloud ecosystem on technology, application, channel and service; implemented “Cloud Creation”, “Cloud Aggregation” and other cooperation programs
 - **Established Cloud Computing Community** with leading companies in the industry

e-Surfing Cloud Boasts Industry-leading Market Influence

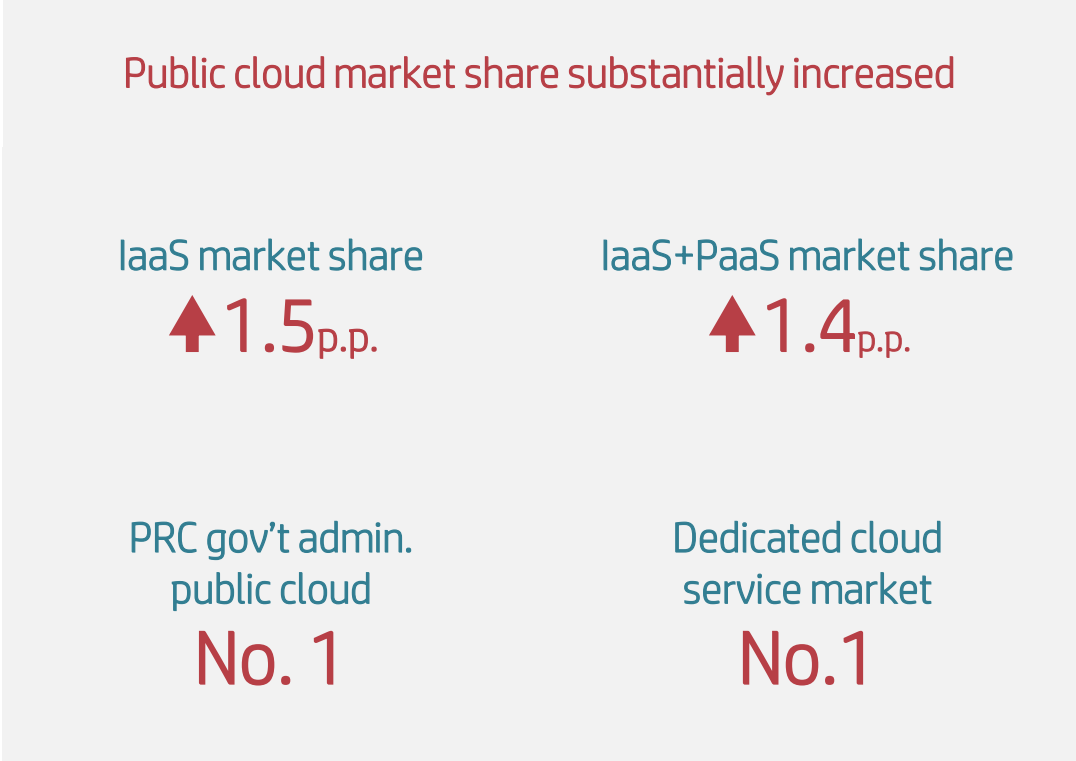


All-out efforts to serve digital government, rural revitalisation and other areas to support digitalisation transformation of economy and society

Revenue maintained doubling



Brand influence and market position further enhanced



Deepen Cloud-network Integration to Further Strengthen Digital Information Infrastructure



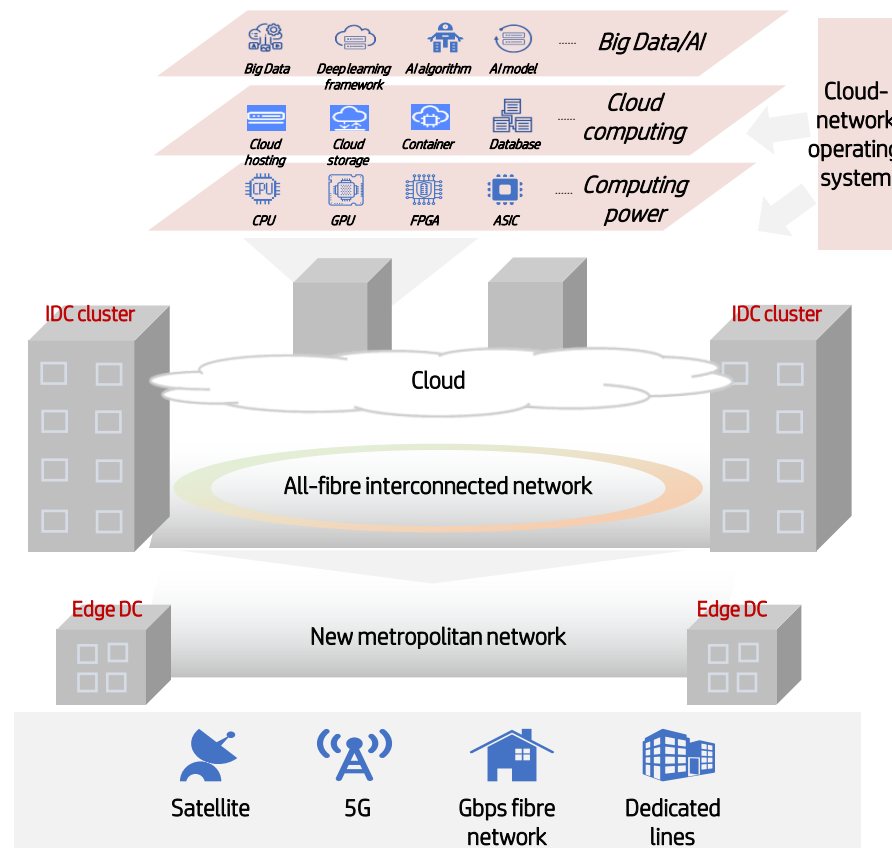
High-speed and ubiquitous	Aerial-ground in one	Cloud-network integrated	Intelligent and agile	Green and low-carbon	Secure and controllable
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Cloud-network integration 3.0
Integration of multiple elements: DC+network+computing power+cloud+Big Data/AI+security+greenness

Cloud-network integration 2.0
Network adaptive to cloud, integration and endowment

Cloud-network integration 1.0
Cloud-network coordination, capability consolidation

End-to-end security system



Green and low-carbon development

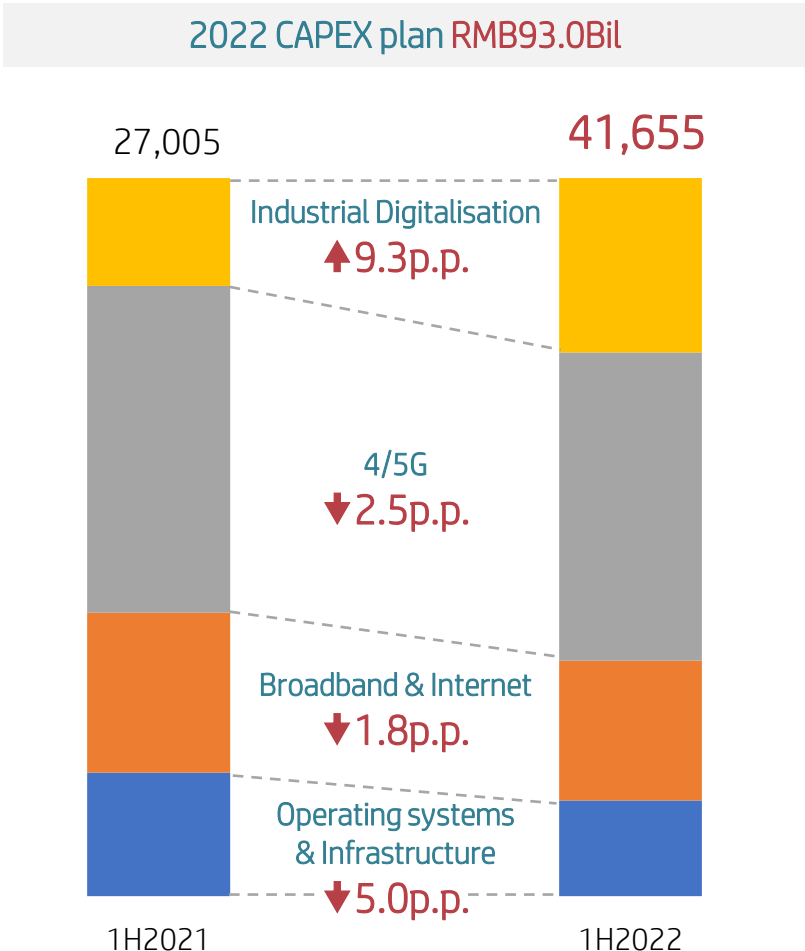
- Technology-led, to enhance the capability of independence and self-control of core technologies**
 - CloudOS4.0, security core platform, AI algorithm, quantum, controller...
- Cloud-network integrated, to promote in-depth integration of computing power and network**
 - 2+4+31+X+0, DC/Cloud/AI coordinated deployment
 - Network reconstitution, "north-south + east-west" data traffic flow
- Intrinsic security, to construct end-to-end prevention system for critical infrastructure**
 - Security capability pool, Security brain, Cloud Dam
- Intelligent & agile, to perform customer-centric integrated cloud-network channeling**
 - Cloud-network operating system, cloud-led network, network-led cloud...
- Green & low-carbon, to establish a new sustainable development model**
 - Green DC, green computing power, green network, green energy...

Focus on Future to Optimise CAPEX and Further Enhance Cloud-network Integration Capabilities



CAPEX and proportions

RMB Mil



Note: Increments of infrastructure in the table on the right are vs 2021.12

Build intelligent integrated digital information infrastructure

Computing Power	Computing power +81k servers, reached 3.1EFLOPS “One-City-One-Pool of Cloud Resources” covering >160 cities • 2H2022: Investment remains focused on IDC, cloud resources, ICT and other Industrial Digitalisation capabilities	IDC +19k cabinets
Network	5G +180k BTS 870k BTS in use, >990k by year-end	Gbps/fibre network +1.17Mil Gbps ports, reached 5.12Mil +8.60Mil fibre ports, reached 320Mil • Expedite “dual Gbps” network layout and continue to expand fibre network coverage
Security	Security core platform 32 secured datacentres	Security capabilities pool 113 nodes • Established two-tier security core platform • Anti-DDoS capability covers nationwide with cleaning capacity +1Tbps to 5.5Tbps • Security capabilities pool covers 31 provinces
Greenness	• AI energy-saving solution achieved full coverage to endow power-saving of 5G and facility rooms • Expedite retirement of low power efficiency facilities and old and obsolete facility room revamp and upgrade	

Co-building and Co-sharing Further Deepened



5G coverage orderly enhanced

5G BTS in use

870_k
+180_k

- Year-end target: >990k
- 5G to cover **all cities, counties and key villages/towns**

4G network co-sharing further deepened

Co-shared 4G BTS

870_k
+210_k

- Step up 4/5G coordination by consolidating and co-sharing 4G BTS in mid/low traffic areas
- 2022: to focus on expediting promotion of indoor 4G co-sharing, and plan to complete the integration of one 4G network with China Unicom within 3 years for quality enhancement, quantity reduction and efficiency increase

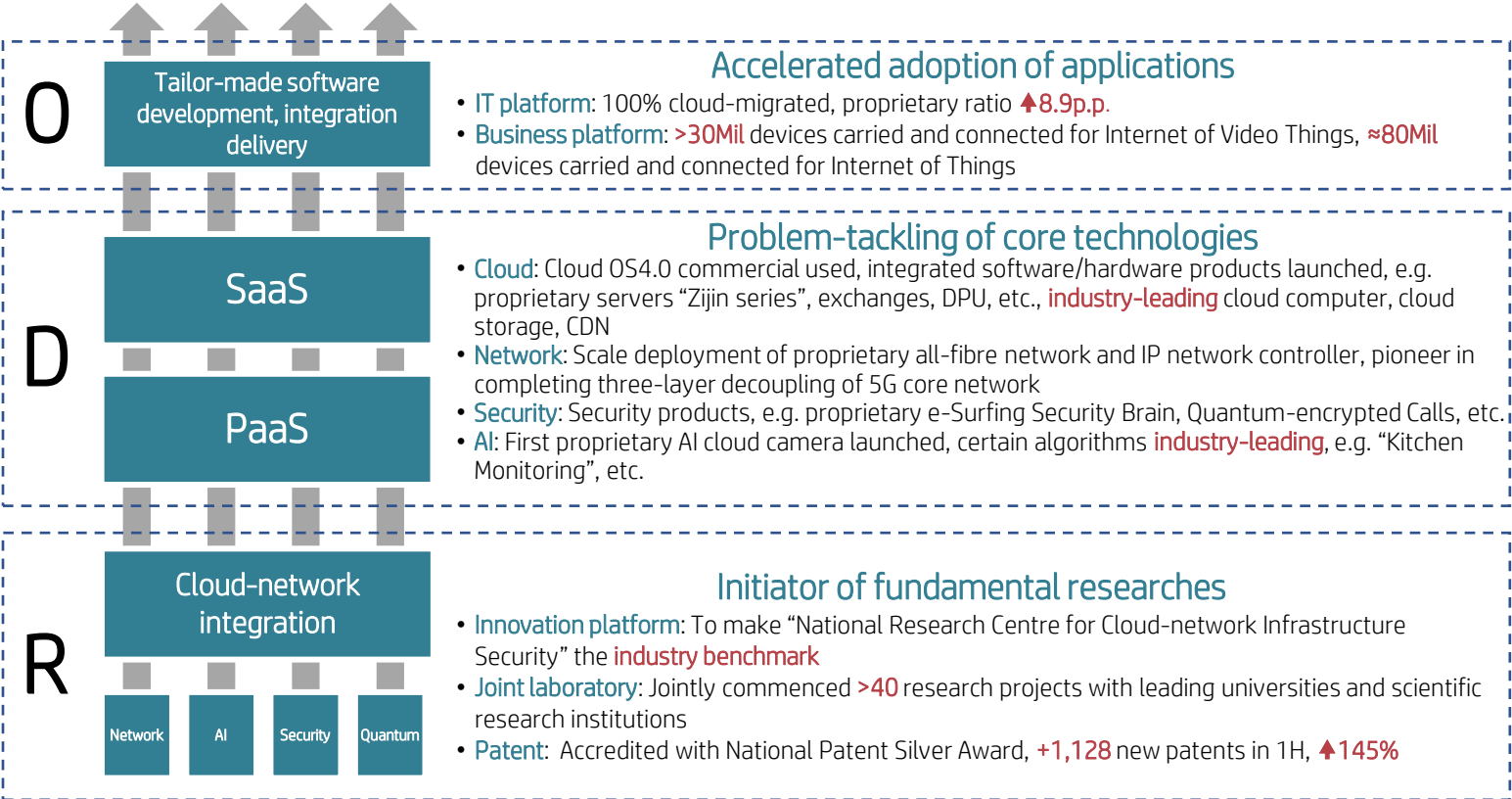
Cumulative CAPEX savings **RMB240Bil**, annualised OPEX savings >**RMB20Bil**

Substantial Progress in Sci-tech Innovation to Bolster Core Competitiveness



Sci-tech innovation elements promptly assembled with substantial progress in problem-tackling efforts in key core technologies

China Telecom was awarded with “Enterprises with Outstanding Contribution to Sci-tech Innovation” for 2019-2021 by SASAC



Initiator of original cloud computing technologies

<p>Increased R&D initiatives</p> <p>RMB5.7Bil ↑54.8%</p>	<p>Grew proprietary R&D achievements</p> <p>74 items on achievement list in 1H2022, ↑3.1x</p>
<p>Developed R&D team</p> <p>No. of R&D personnel ↑46% vs year beginning</p>	<p>Introduced leading talents</p> <p>Established >10 academician leading technology advisory expert committees Introduced >70 industry leading talents</p>

Note: 1. “R-D-O” = “Research – Development – Operation”
2. R&D initiatives include expensed R&D initiatives and capitalised R&D initiatives

Solidify Security Foundation and Strengthen Capabilities to Endow Customers



Continue to enhance security products and servicing capabilities

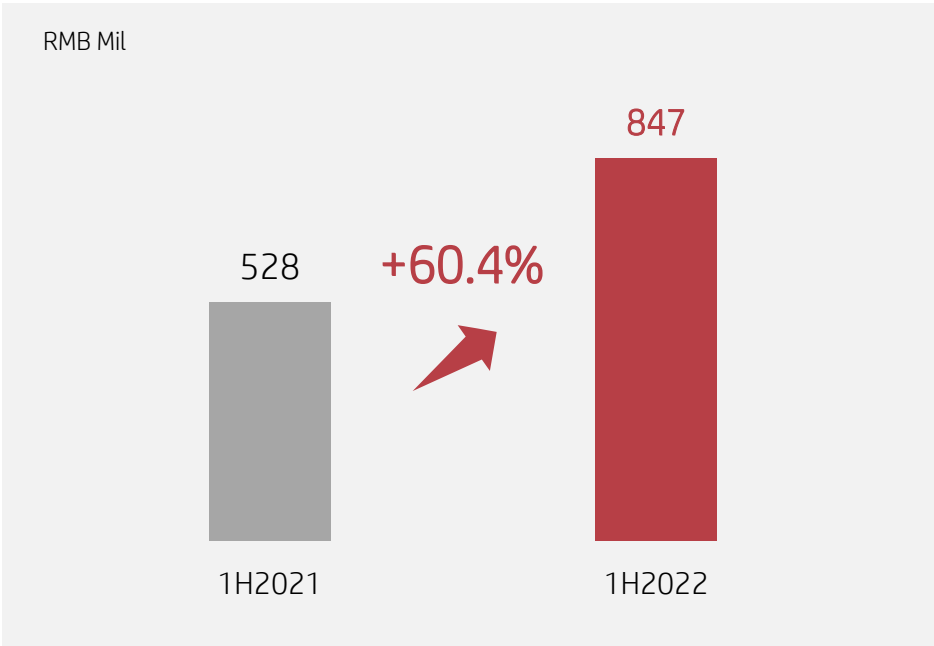
2B
e-Surfing Security Brain, Cloud Dam (anti-DDoS), Graded Protection Assistant, Quantum-encrypted Calls, Internet Fraud Prevention

e-Surfing Security Brain DDoS Protection Graded Protection Assistant Website security Telecom Digital Shield ...

2C & 2H
e-Surfing Anti-harassment, Security Butler, etc.

Reliable Communications e-Surfing Webcam Anti-fraud Radar ...

Cloud Dam: Billion-grade security product



Tech capability breakthrough

Deep threat inspection
AI technologies + security

Security capabilities strengthened

Established national security core platform
Security capabilities pool covers 108 cities

Operating system enhanced

HQ-province-city three-tier 24-7 operation
Critical infrastructure protection demonstration project

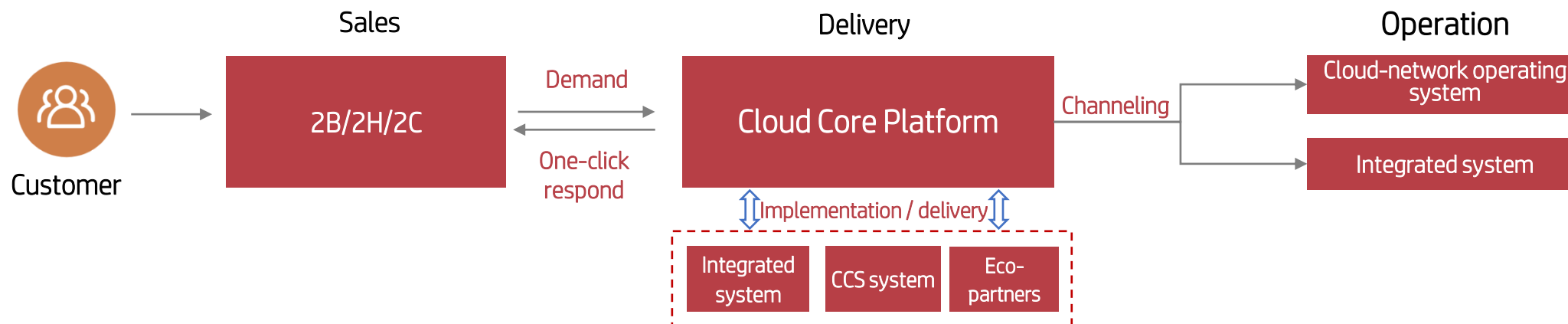
Personnel system strengthened

Security principles penetrate operation and management
Step up professional talent nurturing

Deepen Corporate Reform Focusing on Customer's Digitalisation Demand



Focusing on customer's digitalisation demand, promote enterprise service reform with cloudification-as-the-core



Accelerate enterprise service reform

Establish **13** industry business groups (BGs),
12 industrial research institutes,
>4,000 fundamental capabilities available

Deepen professional company reforms

Cloud company, Security company, IoT company shortlisted as “Sci-tech Reform Demonstration Enterprises”; established professional companies for medical and healthcare and digital villages

Establish cloud core platform

With cloud-as-the-core, streamline key business processes, gather professional talents, offer integrated support and overall delivery planning

Strengthen integration team

135 localised integration companies, team with **>20k** personnel, formed DICT professional team covering cities and villages

Expand cooperation ecology

In-depth cooperation along upstream and downstream of industry chain, accelerate joint innovation of technology capabilities, break through business and scene boundaries

Proactively Implement Social Responsibilities



Green development

<p>“1248”</p> <p>Green and low-carbon development model</p>	<p>Infrastructure power-saving measures led GHG emission to</p> <p>↓ >3 Mil tons</p>
<p>Overall energy consumption per unit of information flow</p> <p>↓ >15%</p>	<p>PRC’s first 100% clean energy-powered datacentre</p> <p>PUE <1.2</p>

Support epidemic prevention

- Implemented further reduction of average tariff of SME broadband and leased lines by 10% vs last year
- Offered anti-epidemic informatisation products, such as e-Surfing Cloud Broadcasting, Cloud Conferencing, Cloud Computer, cloud SaaS application, Incoming Call Info Display, etc.
- Provided integrated informatisation solution to Mobile Cabin Hospitals, and dedicated lines for emergency for nucleic acid testing sites, etc.

Reward society and care for employees

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Reward society</p> <ul style="list-style-type: none"> • Provide aids to dedicated areas for effective support to rural revitalisation; inject intelligence to and endow Digital Village development • Provide aids to alleviate difficulties for SMEs and boost market vitality | <p>Care for employees</p> <ul style="list-style-type: none"> • Step up caring for employees and facilitate mutual growth of employees and the Company |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Enhance governance quality

- Compliant operation and continue to enhance internal systems to enhance governance quality
- Voted by investors as “Most Honored Companies in Asia” in the All-Asia-Executive Team Poll by *Institutional Investor* for 12 straight years
- Awarded “Gold Award – Excellence in Environmental, Social and Governance” in the poll of “ESG Corporate Awards 2021” by *The Asset*

Interim Dividend Declared for the First Time and Proactively Reward Shareholders



Endeavour to create value and honour the commitment during A-Share Offering

The Board resolved to declare interim dividend

RMB**0.12**/share

Interim dividend payout ratio

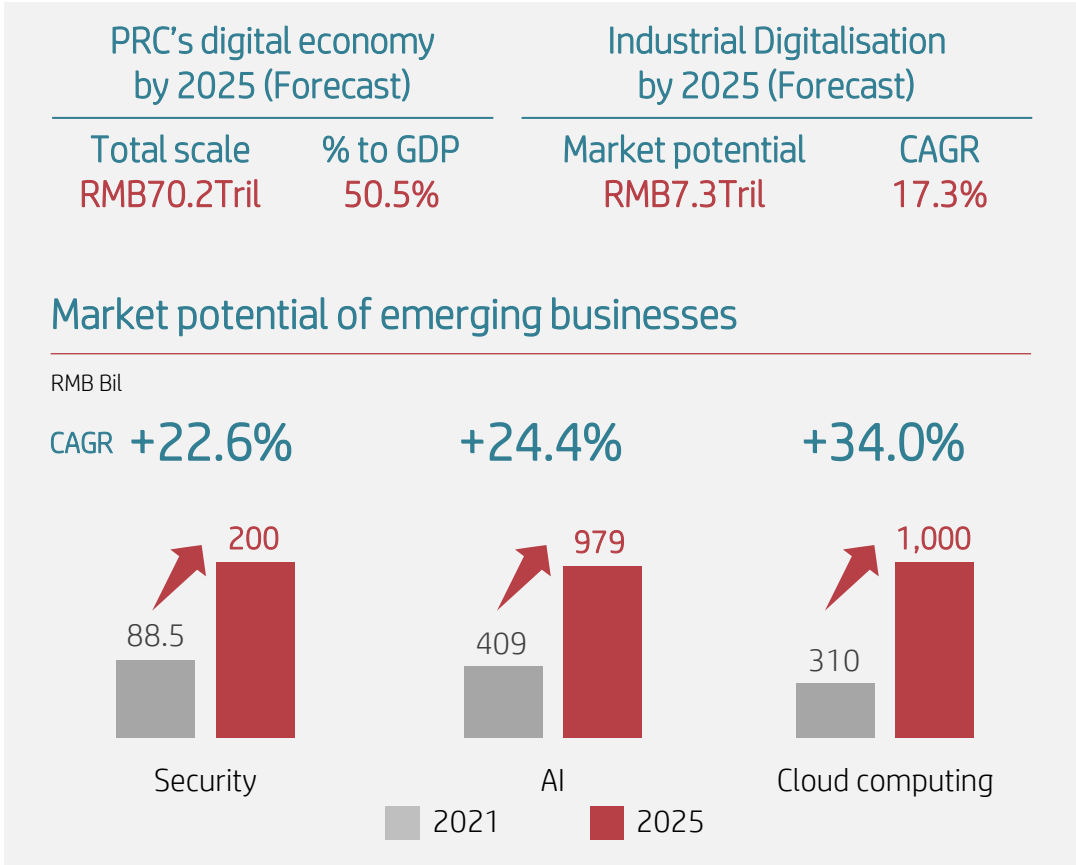
60%

Within 3 years after the A Share Offering and Listing,
the profit to be distributed by the Company 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

Raising the Sail for the Blue Ocean of Digital Economy and Building a World-class Enterprise



Vast growth potential of digital economy



Building a World-class Enterprise



Note: PRC's digital economy and industrial digitalisation market potential data is extracted from Development Research Center of the State Council, CCID Consulting, GSMA, Oxford Economics, CAICT, MIIT (Statistics Report), McKinsey and Company, IDC, Int'l telcos' websites; industrial digitalisation market potential CAGR is calculated with 2019 as start year

Overview

Business Review & Financial Performance

Mr. Shao Guanglu, Executive Director, President & COO

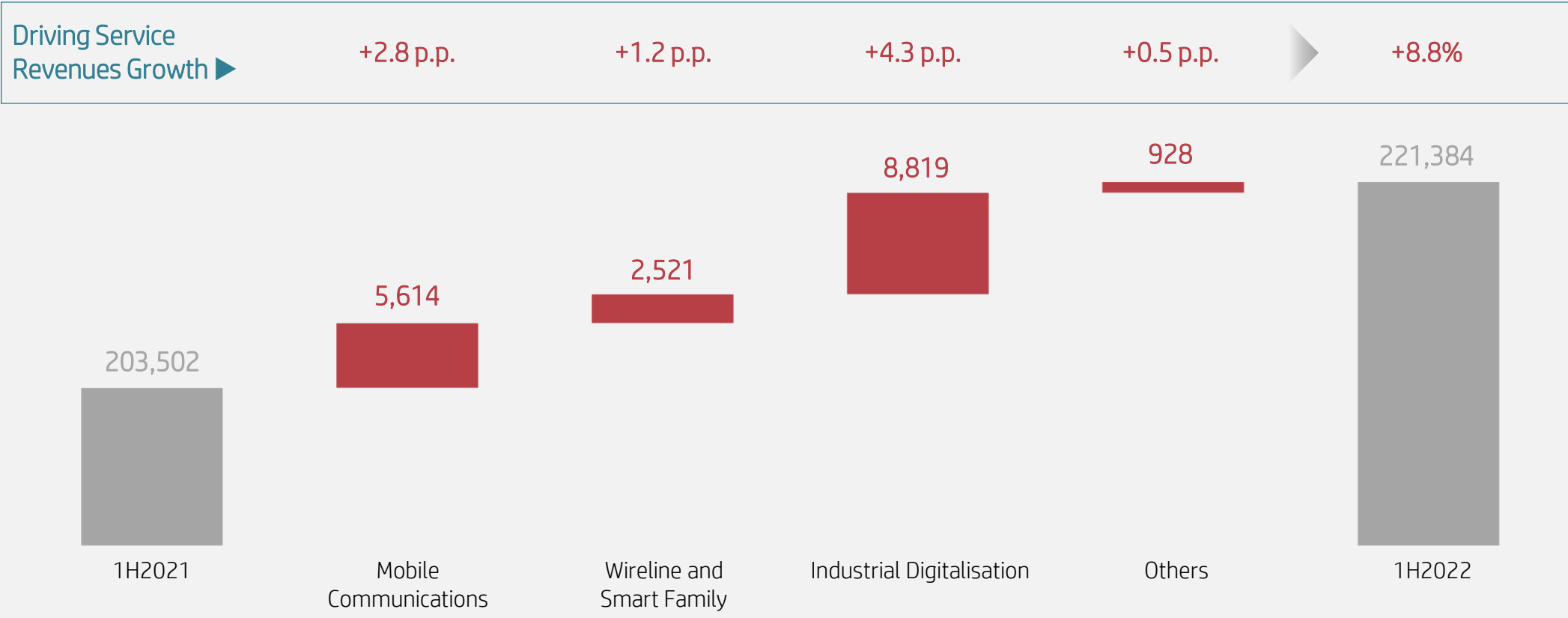


Fundamental Businesses and Industrial Digitalisation: Dual Engines and Mutual Promotion



Incremental Service Revenues Breakdown

RMB Mil

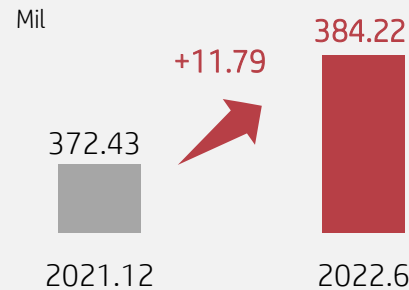


5G and Gbps Broadband Development Accelerated with Subs Scale and Quality Continuously Enhanced

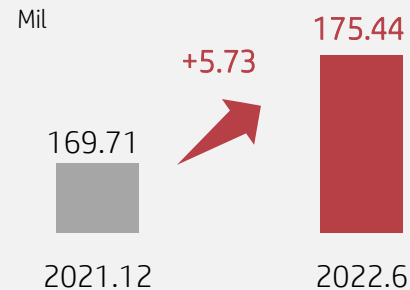


Mobile and broadband scale continued favourable growth

Mobile subs

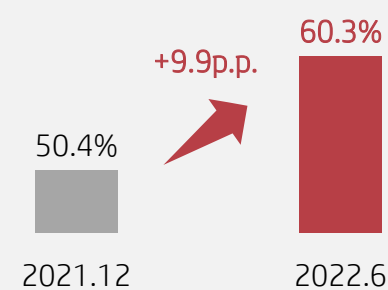


Broadband subs

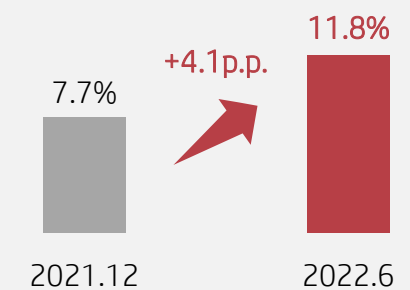


5G and Gbps broadband penetration led in industry

5G penetration

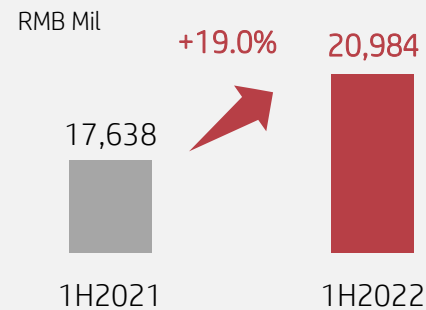


Gbps broadband penetration



2C & 2H application revenues increased rapidly

Application revenues



Application revenues as a % of fundamental business revenues
13.2%
 +1.5p.p.

Subs value maintained favourable growth

Mobile ARPU (RMB)



Broadband blended ARPU (RMB)



- Note: 1. 5G penetration is based on number of 5G package subs
 2. Application revenues refer to mobile application revenue and Smart Family revenue
 3. Mobile ARPU = Monthly Average of Mobile Service Revenues / Average Number of Mobile Subs
 4. Broadband blended ARPU = Monthly Average of Revenues from Broadband Access, e-Surfing HD and Smart Family Applications and Services / Average Broadband Subs

Expedite Product Innovation and Promotion of Digitalised Products Achieved Initial Results



Accelerated development of standardised digital products

Cloud Computer

↑81%

Cloud-integrated

- 2C/2H: cloud package, cloud replay...
- 2B: cloud computer, cloud conferencing...

Security Butler

↑59%

AI-integrated

- 2C/2H: AI Time-lapse service, AI safeguarding (e.g. abnormalities recognition such as falling down, etc.), AI intrusion defense, AI abnormal patrolling...
- 2B: e-Surfing Cloud Eye AI products, AI customised products (e.g. chef hat/smoking recognition, restricted area warnings)...

Security-integrated

- 2C/2H: Quantum-encrypted Security Dedicated Lines (Security Brain, Cloud Dam (anti-DDoS), Graded Protection Assistant...

AI Vision

↑175%

Scene-based solutions extensively launched

Whole-home Intelligence

↑163%

- **Smart Family:** Upgraded Whole-home WiFi and Whole-home intelligence customisation, enriched upgrade with IoT products by integrating smoke/gas sensors, etc.

Smart Community / Digital Village

↑80%/↑176%

- **Smart Community and Digital Village:** Upgraded functionality of community services, public services, grassroots governance, etc. to promote 2C/2H/2B inter-convergent development

Internet of Video Things (IoVT)

↑40%

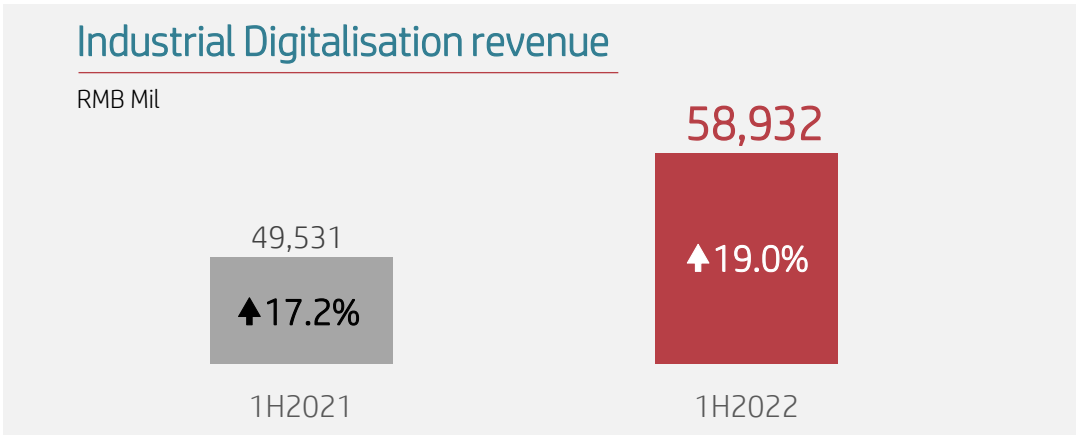
- **IoVT:** Offered integrated and rapid access solution for video dedicated lines/application/cloud demonstrating the differentiation edge of cloud/network/edge/terminal/security coordination and integration; cumulative access devices reached **30.00Mil**

Note: Growth of no. of subscribers, communities and villages of Cloud Computer, Security Butler, AI Vision, Whole-home intelligence, Smart Community, Digital Village and IoVT was compared to 2021.12

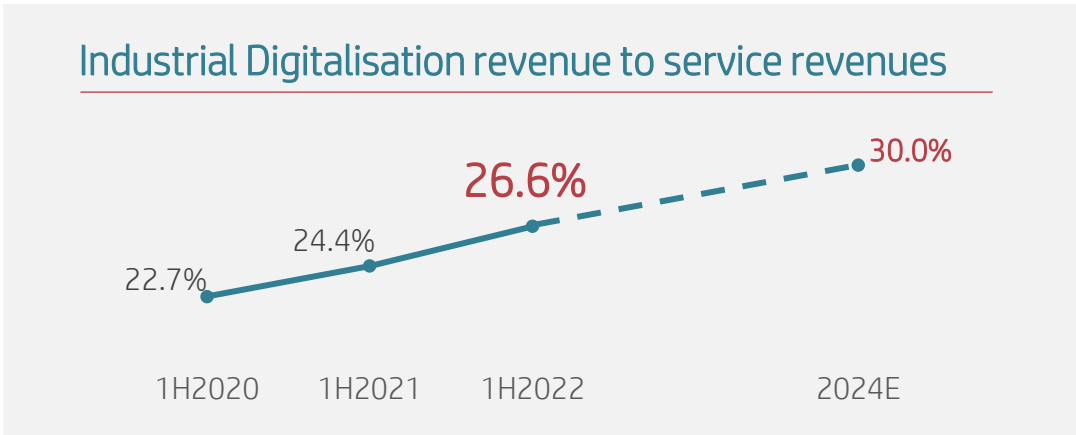
Industrial Digitalisation Maintained Rapid Growth



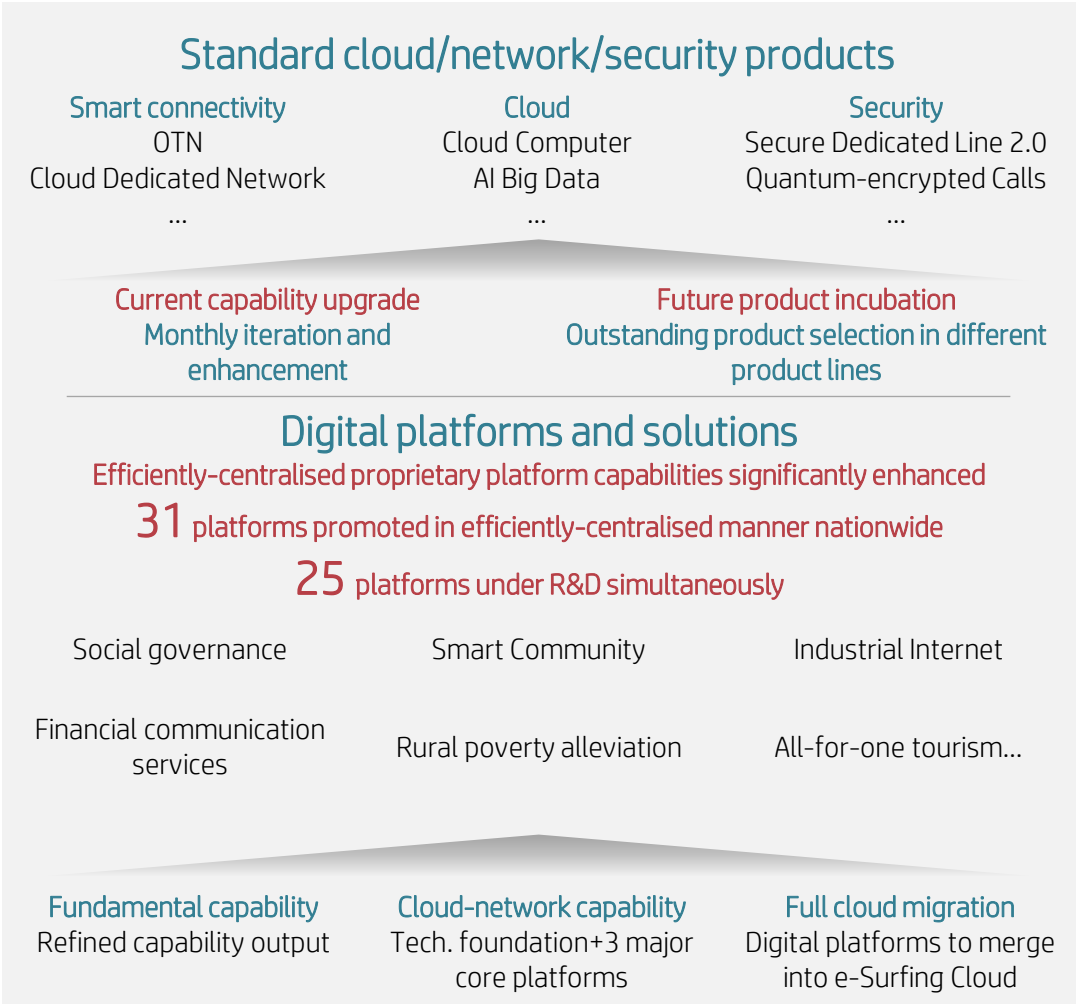
Revenue growth accelerated



Revenue contribution further increased



Focused efforts to foster future growth drivers



e-Surfing Cloud Edges Further Enhanced



Leading in gov't admin cloud market

Gov't admin cloud now serving in
20 provinces and **156** cities

Fast growing PaaS+SaaS revenues

Public cloud revenue

↑ 115.2%

Private cloud revenue

↑ 70.9%

IaaS revenue

↑ 105.0%

PaaS+SaaS revenue

↑ 149.1%

Benchmark cases



Gov't admin: "City Brain" of a county

Leveraged proprietary Big Data administration platform forming benchmark for market expansion



Social governance: A Smart Community

Integrated all-in-one device iStack with smart applications for unified management of vehicles, pedestrians and security



Transportation/logistics: A private cloud for a highway

Achieved data centralisation and co-sharing via proprietary IaaS+PaaS cloud customisation



Auto: Dedicated cloud for an automaker

Provided full stack capability serving 36 upstream and downstream customers along industry chain



Healthcare: A healthcare community platform

Constructed regional Internet of healthcare based on fully proprietary structure to support cloud migration of all services



Enterprise: A smart finance cloud

Supported financial management modernisation by end-to-end public cloud solution

5G 2B Continue to Achieve Favourable Development

Customer contracts grew rapidly

Newly contracted customised network projects

>1,300

- Focus on **15** industries: Industrial Internet, healthcare, Smart City, transportation & logistics, education, etc.
- Focus on 5G+ scenes: Industrial vision, production monitoring, remote control, smart factory logistics, etc.

Cumulative 5G 2B industry commercial projects

≈9,000

Project value further enhanced

New contract value yoy growth

>80%

Overall project gross profit margin

≈20-30%

Benchmark project benefits achieved

Industry-leading benchmark

5G+smart aircraft maintenance for an airline company:

- PRC's **first** 5G application for aviation industry covering 14 provinces
- Supports **ten thousands** of maintenance workers, **>2,000 flights**, inspection and maintenance **efficiency ↑20%**
- Project revenue **↑6 times** after combining with 5G customised network



Driving scale replication

Building 5G+ smart medical ecosphere infrastructure for a hospital:

- **Enhanced operating efficiency** by building smart scene of managing the hospital's assets
- Integrated with e-Surfing Cloud and IDC services to realise **integrated development** of telecom services
- Scale replication of **>200** 5G+smart hospital projects in aggregate



5G+ smart remote transformation of cranes for a steel company:

- Effectively improved customers' working conditions and lowered workers' safety risks
- Customers' plant operating efficiency **↑15%**
- Project revenue of Phase 2 **↑≈67%** vs phase 1
- Served **>50** customers in steel industry in aggregate

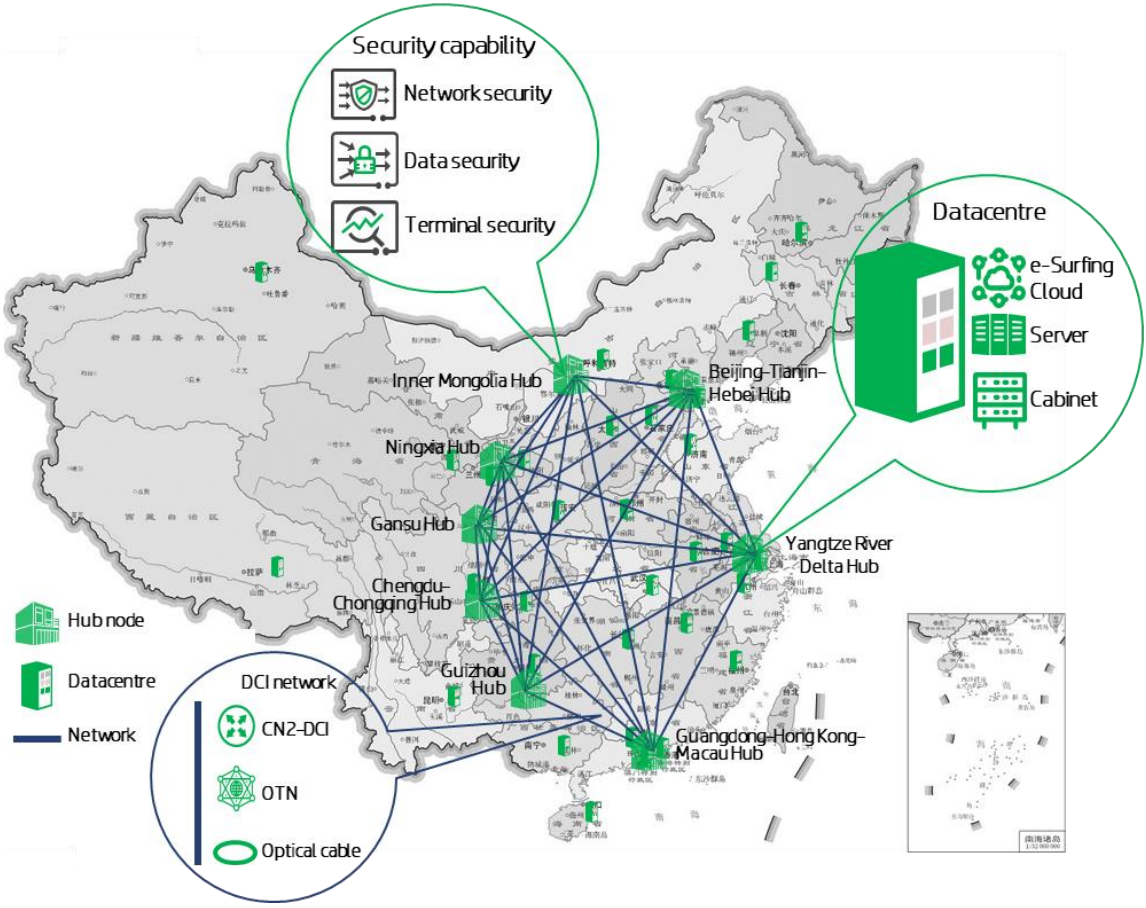


Expedite Infrastructure Construction to Effectively Undertake “East-to-West Computing Resource Transfer” Project



Advanced deployment of computing power capability

<p>Computing power</p>	<ul style="list-style-type: none"> • 3.1 EFLOPS, ▲1.0 EFLOPS
<p>IDC</p>	<ul style="list-style-type: none"> • >700 IDC sites, 487k cabinets, ▲19k cabinets; utilisation rate 72% • Expedite capability development of new hubs: land acquisition and new site construction in Jiangsu, Shanghai, Zhejiang, Anhui, Sichuan, Gansu, etc. • 1H2022 revenue: RMB17.9Bil, ▲11.1%, revenue scale PRC No. 1
<p>DCI</p>	<ul style="list-style-type: none"> • Strengthened assurance for all-fibre network with 320k km artery of multi-channel optical cable network covering 4 regions + 6 axles + 8 hubs • Built industry-leading DCI network: CN2-DCI and OTN for gov't & enterprises connecting 8 major hub nodes and IDCs in major cities nationwide with backbone bandwidth >300Tbps • Inter-hub access latency among 8 major regional hubs ▼≈1ms to 15ms
<p>Greenness</p>	<ul style="list-style-type: none"> • Newly-built datacentres PUE<1.3; southern hub PUE<1.25, northern hub PUE<1.2 • Commenced energy-saving upgrade of >130 obsolete facility rooms and further propelled obsolete facility retirement • Active participation of market-based green electricity trade and expedite introduction of green electricity



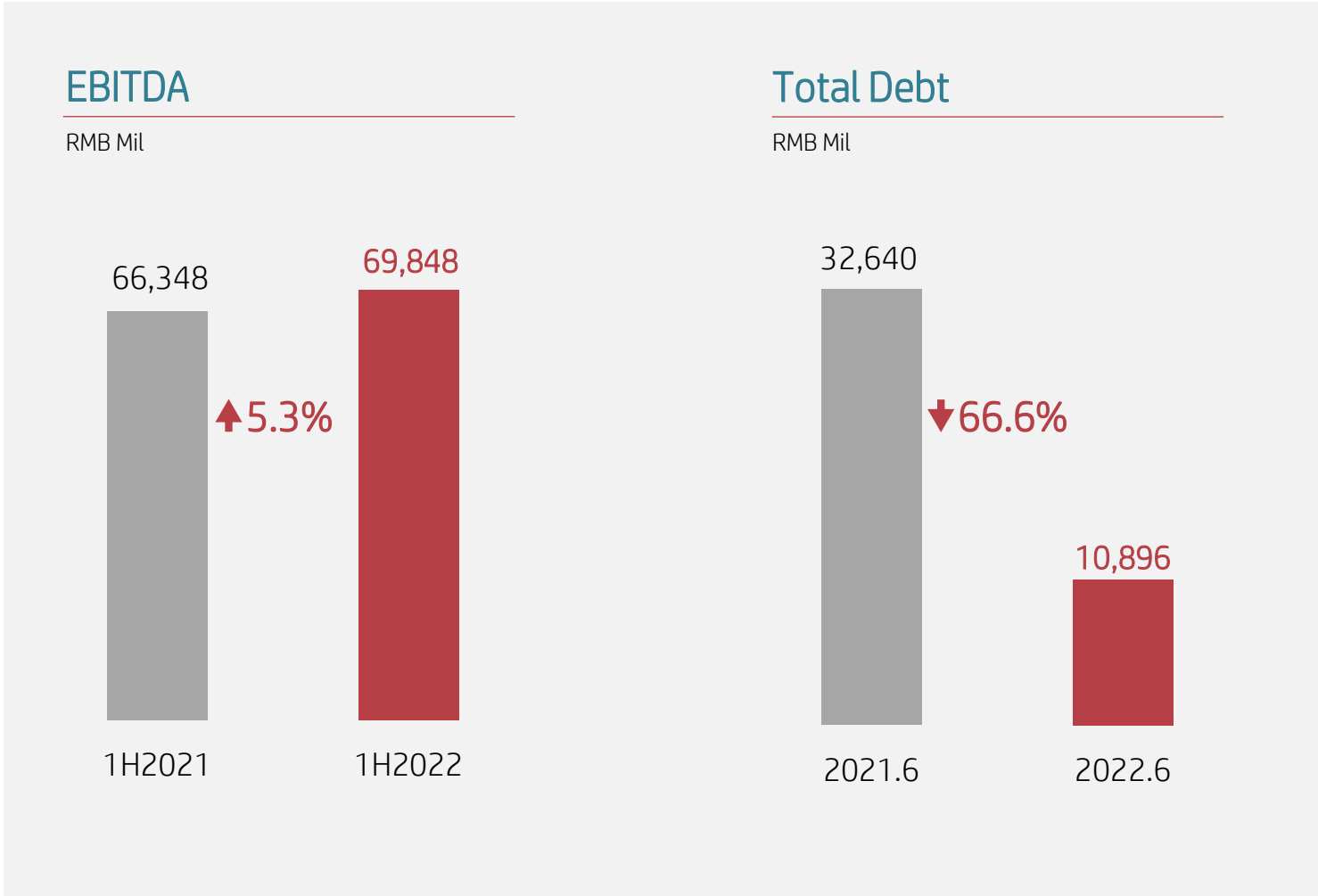
Note: Increments of infrastructure are vs 2021.12

Cost Appropriately Contained and Reduced to Support High-quality Development



RMB Mil	1H2022	Change
Operating Expenses	219,206	10.7% <ul style="list-style-type: none"> Seized the strategic opportunity of rapid digital economy development and increased initiatives in sci-tech innovation, Industrial Digitalisation and other key areas to enhance resource efficiency
Incl.: Depreciation & Amortisation	46,735	3.6% <ul style="list-style-type: none"> Expanded 5G co-build and co-share and 4G network co-share, D&A continued to grow slower than revenue
Network Operations & Support	70,051	9.6% <ul style="list-style-type: none"> Digitalised operation reduced cost and increased efficiency, network operation related expense grew slower than revenue Seized development opportunity and appropriately increased initiatives in high growth areas, such as Industrial Digitalisation, Smart Family and others
Personnel	44,618	12.4% <ul style="list-style-type: none"> Strengthened high-tech talent recruitment Increased incentives to frontline staff and high-performance teams
SG&A	32,026	11.4% <ul style="list-style-type: none"> Precision sales and marketing resulting stable selling expense as a % of revenue Enhanced core capability, continued to increase R&D initiatives for future growth momentum
Interconnection Charges	6,348	4.8%
Cost of Goods Sold	18,519	35.4% <ul style="list-style-type: none"> Significantly increased 5G handset sales volume

Refined Management to Further Enhance Financial Strength



Sound capital structure supports healthy corporate development

Debt-to-asset ratio
44.6%

Corporate credit rating maintained highest

AAA

Note: 1. Total Debt in the charts above represents interest-bearing debts excluding lease liabilities
 2. Credit rating was provided by China Chengxin International Credit Rating Co., Ltd. on the Company's credit rating of related debt in duration in May 2022

Further Promote High-quality Development



Subs grew ahead of schedule while operating results enhanced steadily

Mobile subs net add	11.79Mil
5G package subs net add	43.85Mil
Broadband subs net add	5.73Mil
Comparable Industrial Digitalisation revenue	↑19.0%
Operating revenue	↑10.5%
Comparable net profit	↑12.0%

2022 target

Mobile subs net add	15Mil
5G package subs net add	80Mil
Broadband subs net add	8Mil
Comparable Industrial Digitalisation revenue	Strive to maintain 2021 growth rate
Operating revenue	Strive to achieve double-digit growth
Comparable net profit	Strive to achieve double-digit growth



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Appendix 1 — IFRSs



Appendix 1.1: Extracted from Unaudited Condensed Consolidated Statement Comprehensive Income for the Six Months Period Ended 30 June 2022



RMB Mil	1H2021	1H2022	Change
Operating Revenues	219,237	242,319	10.5%
Service Revenues	203,502	221,384	8.8%
Mobile Communications Service	93,342	98,956	6.0%
Incl.: Handset Internet Access	70,541	73,775	4.6%
Wireline and Smart Family Service	57,350	59,871	4.4%
Incl.: Broadband Access	38,107	40,799	7.1%
Smart Family	7,174	8,049	12.2%
Industrial Digitalisation	50,113	58,932	17.6%
Incl.: IDC	16,070	17,852	11.1%
Other Service Revenues	2,697	3,625	34.4%
Sales of Goods and Others	15,735	20,935	33.0%
Operating Expenses	197,986	219,206	10.7%
Depreciation & Amortisation	45,097	46,735	3.6%
Network Operations & Support	63,909	70,051	9.6%
Incl.: Tower Usage Fee	5,657	5,710	0.9%
Personnel	39,685	44,618	12.4%

RMB Mil	1H2021	1H2022	Change
SG&A	28,740	32,026	11.4%
Incl.: Selling Expense	23,839	25,967	8.9%
R&D Expense	694	982	41.5%
Other Operating Expenses	20,555	25,776	25.4%
Incl.: Interconnection Charges	6,059	6,348	4.8%
Cost of Goods Sold	13,682	18,519	35.4%
Operating Profit	21,251	23,113	8.8%
Net Finance Costs	(1,079)	(30)	-97.3%
Investment Income and Others, Share of Profits of Associates and Joint Ventures	3,243	842	-74.0%
Profit Before Taxation	23,415	23,925	2.2%
Income Tax	(5,549)	(5,572)	0.4%
Profit for the Period	17,866	18,353	2.7%
Equity Holders of the Company	17,743	18,291	3.1%
Non-controlling Interests	123	62	-49.6%
	1H2021	1H2022	Change
Free Cash Flow	26,782	14,502	-45.9%

- Note: 1. Mobile service revenues amounted to RMB104.5Bil, representing an increase of 6.7% year-on-year; wireline service revenues amounted to RMB116.9Bil, representing an increase of 10.7% year-on-year
 2. Excluding the impact resulting from the application of IFRS 16, the tower usage fee in 1H2022 was RMB10,225Mil
 3. Free Cash Flow = EBITDA – CAPEX – Income Tax Expenses – Depreciation Charge for Right-of-Use Assets Other than Land-Use-Rights (1H2022: RMB8,119Mil)

Appendix 1.2: Extracted from Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2022



RMB Mil	2021.12.31	2022.6.30
Current Assets	127,360	153,091
Non-current Assets	634,874	630,758
Total Assets	762,234	783,849
Current Liabilities	265,072	287,866
Non-current Liabilities	65,994	61,833
Total Liabilities	331,066	349,699
Total Equity	431,168	434,150
Equity Attributable to Equity Holders of the Company	428,674	431,594
Non-controlling Interests	2,494	2,556

Appendix 2 — CASs



Appendix 2.1: Extracted from Unaudited Consolidated Income Statement for the Six Months Period Ended 30 June 2022



RMB Mil	1H2021	1H2022	Change
Operating Revenues	217,547	240,219	10.4%
Operating Costs	149,969	165,716	10.5%
Taxes and Surcharges	780	785	0.6%
Selling Expenses	25,578	27,902	9.1%
General and Administrative Expenses	16,345	17,096	4.6%
Research and Development Expenses	1,761	3,254	84.8%
Finance Expenses	1,079	30	-97.3%
Asset and Credit Impairment Losses	(1,730)	(2,235)	29.2%
Investment Income	3,243	839	-74.1%
Gains on Disposal of Assets, Other Income and Gains/(Losses) from Changes in Fair Value	1,643	1,984	20.8%
Operating Profit	25,191	26,024	3.3%
Net Non-operating Income and Expenses	(1,776)	(2,099)	18.2%
Profit before Taxation	23,415	23,925	2.2%
Income Tax Expenses	5,549	5,572	0.4%
Net Profit	17,866	18,353	2.7%
Equity Holders of the Company	17,743	18,291	3.1%
Minority Interests	123	62	-49.6%
Net Profit Attributable to Equity Holders of the Company excluding Extraordinary Gains and Losses	16,400	18,376	12.1%

Appendix 2.2: Extracted from Unaudited Consolidated Balance Sheet as at 30 June 2022



RMB Mil	2021.12.31	2022.6.30
Current Assets	127,360	153,091
Non-current Assets	634,881	630,765
Total Assets	762,241	783,856
Current Liabilities	260,298	284,408
Non-current Liabilities	70,768	65,291
Total Liabilities	331,066	349,699
Total Shareholders' Equity	431,175	434,157
Equity Attributable to Equity Holders of the Company	428,681	431,601
Minority Interests	2,494	2,556

Appendix 3 — Operating Figures and CAPEX Structure



Appendix 3.1: Operating Figures



Selected Operating Metrics for the Period Ended 30 June 2022

	2021.12	2022.6	Change
Subscriber (Mil)	2021.12	2022.6	Change
Mobile	372.43	384.22	11.79
Incl.: 5G package	187.80	231.65	43.85
Wireline Broadband	169.71	175.44	5.73
Access Lines in Service	106.64	106.03	-0.61
e-Surfing HD	121.37	124.39	3.02
IoT Connected Devices	297.77	359.50	61.73
	1H2021	1H2022	Change
Mobile ARPU (RMB)	45.7	46.0	0.7%
5G ARPU (RMB)	57.4	52.7	-8.1%
Handset Data Traffic (kTB)	21,814	28,328	29.9%
Wireline Broadband ARPU (RMB)	39.4	39.4	0.1%
Wireline Broadband Blended ARPU (RMB)	46.8	47.2	0.9%

Appendix 3.2: CAPEX Structure



	RMB Mil	%
5G	17,493	42.0%
4G	425	1.0%
Broadband & Internet	8,554	20.5%
Industrial Digitalisation	10,122	24.3%
Operating systems and infrastructure	5,061	12.2%
1H2022 CAPEX	41,655	100.0%