



2023 Annual Results

China Telecom Corporation Limited

26 March 2024
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.

Overview

Mr. Ke Ruiwen, Executive Director, Chairman & CEO

Business Review & Financial Performance

Summary of Highlights



- 1 ▶ Operating results maintained favourable trajectory and fully fulfilled the commitment made during A Share issuance
- 2 ▶ Sci-tech innovation achieved breakthroughs and formation of new quality productive forces accelerated
- 3 ▶ Strategic emerging businesses deployment fully completed with integration and mutual promotion of fundamental businesses and Industrial Digitalisation
- 4 ▶ Deepen cloud-network integration and propel intelligent upgrades of digital information infrastructure
- 5 ▶ Fully deepen reforms and open-up and creating value to reward shareholders
- 6 ▶ Implement Cloudification and Digital Transformation Strategy deeply and fully promote high-quality development

Operating Results Maintained Favourable Trajectory



RMB Mil	2022	2023	Change
Operating Revenues	481,448	513,551	6.7%
Incl.: Service Revenues	434,928	464,965	6.9%
EBITDA	130,359	136,830	5.0%
Net Profit	27,593	30,446	10.3%
EPS (RMB)	0.30	0.33	10.3%
ROE	6.4%	6.9%	0.5p.p.
Full-year DPS (RMB)	0.196	0.2332	19.0%

Notes:

1. Service Revenues = Operating Revenues – Sales of Mobile Terminals – Sales of Wireline Equipment – Other Non-service Revenues

2. EBITDA = Operating Revenues – Operating Expenses + Depreciation & Amortisation

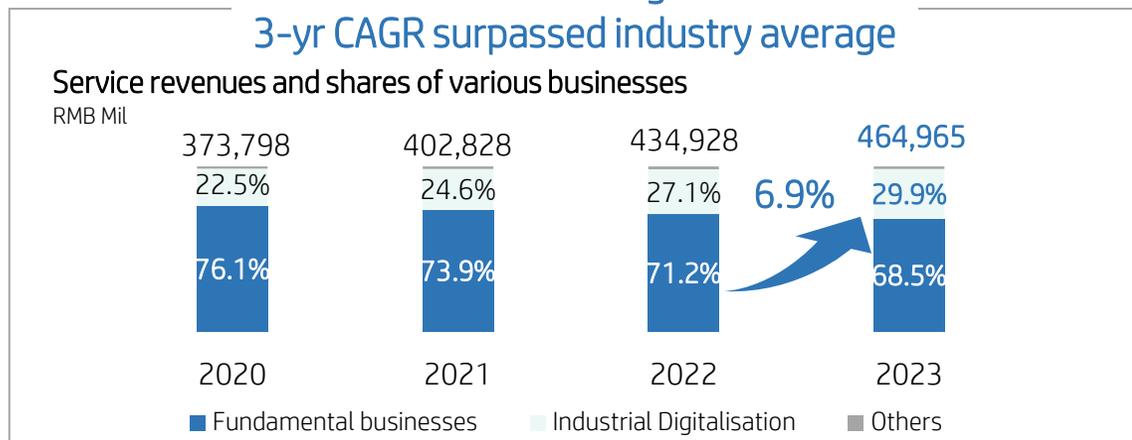
3. Net Profit represents profit attributable to equity holders of the Company

4. Unless otherwise specified, all % and percentage point (p.p.) changes in this presentation are either 2023 vs 2022, or 2023.12.31 vs 2022.12.31; all figures are based on IFRS Accounting Standards

Fully Fulfilled the Commitment Made During A Share Issuance with High-quality Development Advancing to New Level



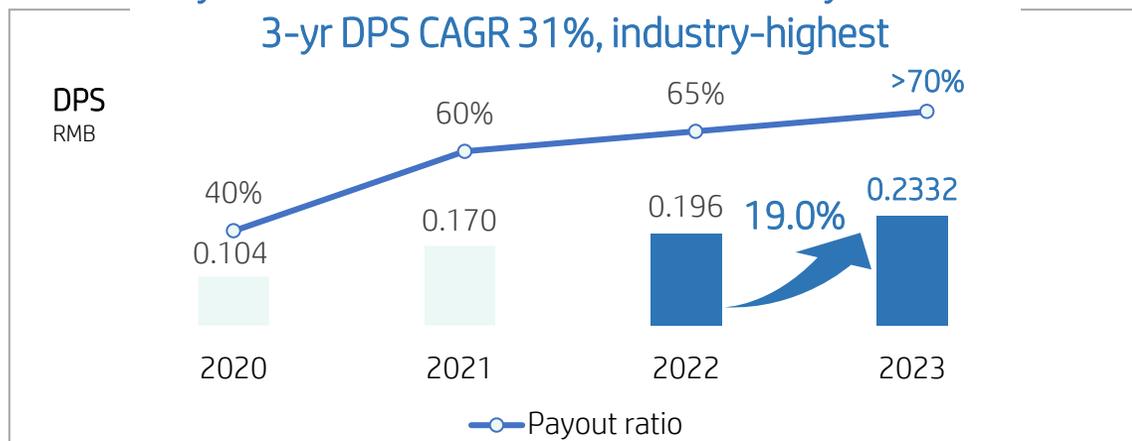
Favourable revenue growth with 3-yr CAGR surpassed industry average



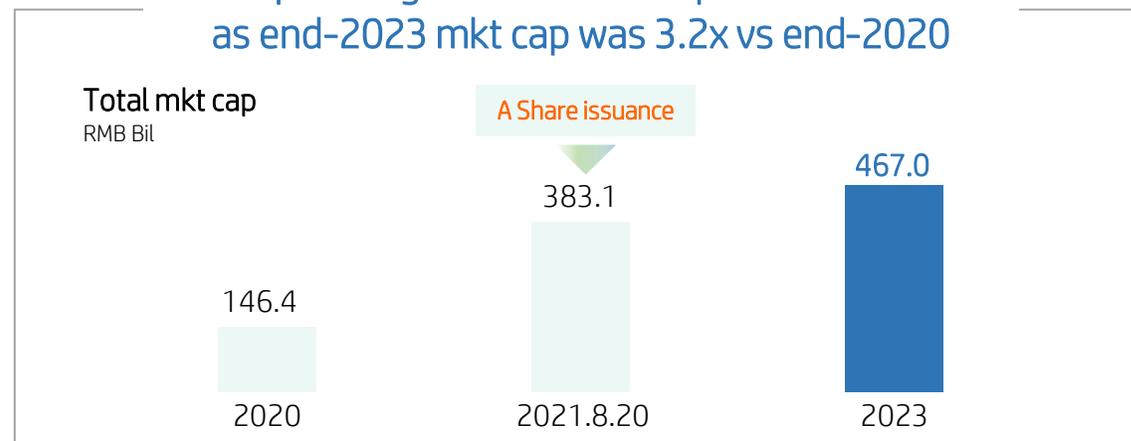
Profitability remained robust with double-digit growth for 3 consecutive years



Payout ratio increased to >70% in three years with 3-yr DPS CAGR 31%, industry-highest



Mkt cap management achieved prominent results as end-2023 mkt cap was 3.2x vs end-2020



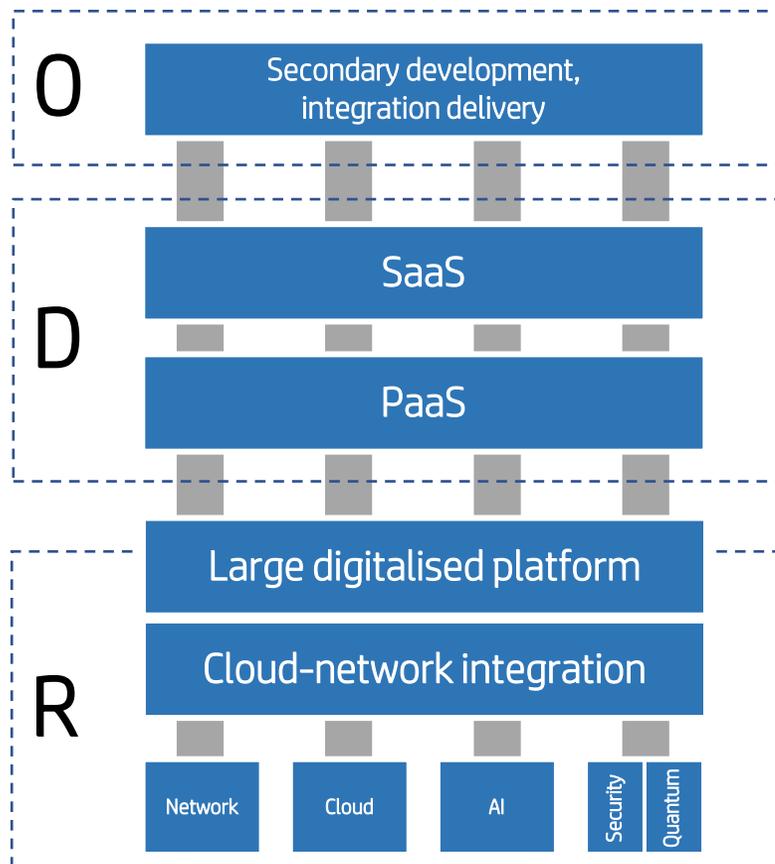
Note:

- 2021 net profit was comparable figure; reported figure was RMB25,949Mil
- Market capitalisations in 2020 and 2023 are calculated with the closing price on the last trading day of the respective years, while that on 20 Aug 2021 is calculated with the A Share offering price RMB4.53/share

Sci-tech Innovation Achieved Breakthroughs and Formation of New Quality Productive Forces Accelerated



Adhere to root technology layout, optimise RDO innovation system, step up R&D initiative focusing on new digital infrastructure, nurture new quality productive forces



“New” element initiatives

R&D expense RMB13.1Bil	No. of leading talents 138	No. of R&D engineers 33k
3-yr growth 175.6%	3-yr growth 392.9%	3-yr growth 174.5%

“New” digital tools

R&D	Operation	S&M
R&D cloud and large scale sci-tech innovation facility supporting >80k developers	New generation cloud-network operating system at L3 automation and intelligence level	Data-driven & AI-empowered to build digital and intelligent S&M service system

Sci-tech-driven “new” digital information infrastructure

Cloud computing	Network
Breakthroughs in cloud operating system, cloud database and other core technologies; industry-leading cloud-based intelligent computing platform, national cloud framework fully formed	Industry-leading intelligent computing network and 5G co-build and co-share; 1st to launch handset direct-to-satellite and 5G internet-of-drones systems; aerial-ground integration framework took shape
Cloud-network integration Xirang computing power scheduling platform achieved diversified heterogenous architecture computing power trans-regional scheduling; cloud-network operating system open up the cloud-network capabilities of entire network	
AI Developed 10B-parameter large visual model, 100B-parameter large language model and large multimodal model	Security/quantum Developed anti-DDoS platform which is the only one covering entire network with global reach in the PRC; launched PRC-leading quantum computing cloud platform; scale promotion of quantum-encrypted calls

Notes:

1. RDO: Fundamental research (R), applied technological research and development (D) and operational development (O)
2. R&D expense growth is calculated from R&D expense figures based on Chinese Accounting Standards (“CASs”)

Deployment of Strategic Emerging Businesses Fully Completed



Capability and competence strengthened

Cloud and Computing Power

- Source of original cloud computing technologies
- Advanced proprietary full-stack cloud products and computing power platforms
- **No. 1 among global telco cloud**

Products and services enriched

Artificial Intelligence (AI)

- Xinghe AI platform foundation
- 1 general-purpose large foundation model
- 12 large vertical models + 9 large models for own use

Prominent market expansion achieved

Big Data

- Lingze Data Element 2.0 Platform
- **>50** products in Xinghai Big Data series
- Big Data pool size **>500PB**;
1.6PB data collected daily, **↑26%**

Security

- Integrated end-to-end security service portfolio with products covering 7 categories and 54 subdivisions
- **Cloud Dam anti-DDoS market share No. 1**
- Traffic scheduling, perception traceability and other technologies attained industry-leading level

Quantum

- **Industry-leading in commercialisation process of quantum communication with no.1 market share**
- Quantum+DICT products and services with full range of applications
- **Commencement of Quantumctek acquisition** to facilitate professional integration and forward-looking deployment

New Generation Information and Communication

- **Internet of Things (IoT): PRC's 1st** 100Mil-grade ultra-massive-access AIoT platform
- **Satellite communication: World's 1st** to launch consumer-grade handset direct-to-satellite voice and SMS service
- **5G 2B: Industry's 1st** to plan for 5G low-altitude customised network

Digital Platform

- Built **>110** industrial digital platforms
- **Top 3** by market share in municipal governance, urban operation / management / services, financial Big Data, etc.
- **Industry-leading** technologies in cloud-based automobile R&D simulation platform, intelligent edge cloud scheduling platform, etc.

China Telecom Cloud Maintained Leadership and Fully Upgraded to an Intelligent Cloud



China Telecom Cloud hundred-billion RMB revenue

Revenue **67.9%** RMB **97.23** Bil



Gov't admin. public cloud infrastructure No. 1

IaaS/IaaS+PaaS Top 3 in PRC

Desktop-as-a-Service (DaaS) No. 1 in PRC

Capabilities further strengthened

Continuous breakthroughs in proprietary technologies

Cloud OS/database/cloud terminal, etc. **fully independent and controllable Industry leadership** in TeleCloudOS4.0, Big Data engine and other technology directions

Advanced full-stack products and services

Full-stack public cloud and hybrid cloud products such as cloud computer, computing, storage, network, database, etc.

Secure and trustworthy operating capability

The 1st mainstream cloud service provider to own proprietary KMS product certification
Industry No. 1 in no. of passes in "Trusted Cloud" assessment
Industry No. 1 in no. of 5 Star+ cloud hosting resource pools

Accelerated upgrade to an intelligent cloud

Build ubiquitous computing infrastructure integrating cloud, intelligent computing and supercomputing

"Two-Elastic-One-Optimised" AIDC with ultra-large scale deployment in hotspot areas; single cluster an intelligent computing pool with thousands of GPUs; computing power products achieve full coverage of cloud, edge and terminals

Establish three fully linked intelligent computing platforms

Huiju: One-stop intelligent computing service platform;
Yunxiao: Intelligent computing acceleration platform integrating cloud, intelligent computing and supercomputing;
Xirang: Computing power distribution network platform

Become a PRC-leading large model computing service provider

Build convenient and secure training and inferencing tools to carry Xingchen large models and leading large vertical models

Notes:

1. Trusted Cloud and Cloud Hosting Classification Certification are assessment and certifications for cloud computing services assessed by the Data Centre Alliance and the China Academy of Information and Communications Technology (CAICT)
2. Two-Elastic-One-Optimised: Elastic power supply, elastic cooling, optimised air distribution

Seize “AI+” Opportunities to Promote Growth and Accelerate the Marketisation of Data Elements



AI and Big Data grew rapidly to empower thousands of industries



Precision teaching

Large education model assists teachers in intelligent composition marking; workload of teachers in a basic education group under a university **↓70%**, no. of students awarded excellent grade in writing **↑60%**



Culture and tourism guide

Large culture and tourism model provides itinerary planning, travel tips generation, FAQ and other services; a cultural tourism bureau saved **50%** of customer service workload



Smart customer service

Large customer service model supports intelligent reply, knowledge mining, etc. for provinces and cities; remote video service volume **↓20%-30%**, enquiry processing time **↓45%**



Public data operation

Commenced authorised operation of public data based on Lingze platform, unleashing value of public data; transaction amount in a province **>RMB600Mil**



Financial services

Provides risk control, anti-fraud monitoring and other services to financial institutions; financial anti-fraud identification of a province **↑50%**

Fundamental Capabilities further strengthened

1+N+M Xingchen large models product portfolio

Xinghe AI Platform

- **>10,000** proprietary algorithms for different use cases
- Algorithms accessed **410Mil** times/day

12 large vertical models

- Gov't admin, education, transportation and other areas

9 large models for own use

- Cover network operation, code R&D and other internal production and operation areas

1 general-purpose large foundation model

- Built versions of 7B, 12B, 52B, 104B parameters; opened-source the source code of the 7B version
- Language, visual, speech, multimodal to orchestrate to form video searching by natural language, high-fidelity speech, text-to-image and other model capabilities

Xinghai Big Data Platform

- Xinghai Big Data products and services: **>50** products, API accessed **4.6Bil** times/yr
- Lingze data elements 2.0 platform: ranked **No.1** among service providers of the data elements ecology, **globally advanced** in secure multi-party computation

Massive network and China Telecom Cloud computing power cluster

Rich data resources

Dedicated organisation and high-quality talents (AI Company and AI Research Institute)

Numerous use cases

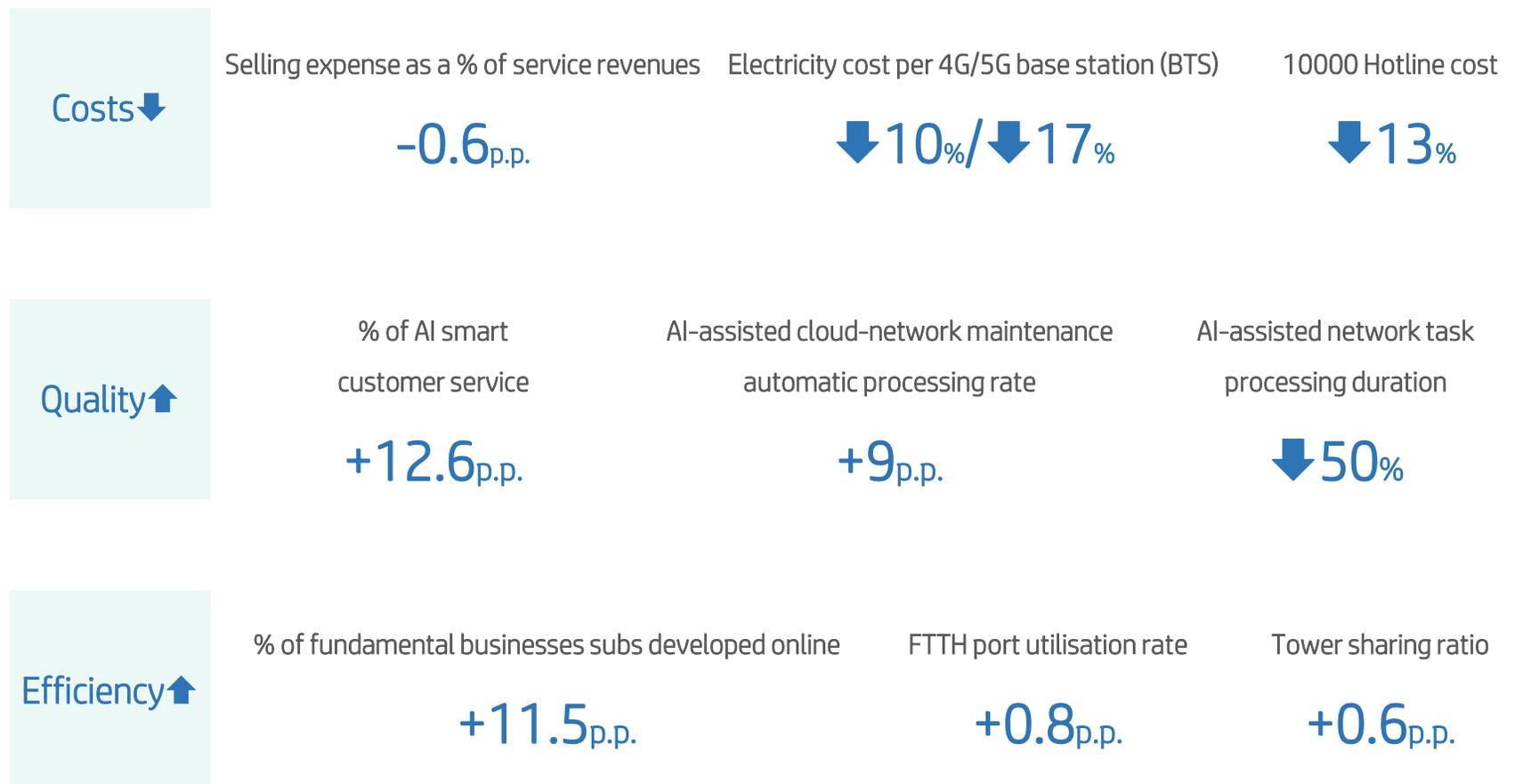
Notes:

1. Source of data element ecosystem service provider ranking: *Internet Weekly*
2. Secure multi-party computation refers to the computation that can protect participants' privacy as, in the absence of a trusted third party, each participant is unable to speculate others' input and output data from data exchange during the computation process; this is one of the fundamental technologies of the Xinghai Big Data products

Digitalisation Empowered Internal Transformation and Upgrades



Fully integrate AI and Big Data into digital operation



Infrastructure Upgrade Accelerated



High speed and ubiquitous

Extensive base stations (BTS) coverage

5G BTS in use (incl. co-shared) **>1.21Mil** 4G mid-band spectrum co-shared BTS **>2Mil** 4/5G integrated 800MHz BTS **250k**

Urban residential Gbps coverage **>90%**
Industry-leading

Building aerial-ground integrated information network capability

Aviation Internet **industry-leading**
"Satellite + VoWiFi" satellite-ground integrated technology applied in aviation scene

Cloud-intelligence integrated

Computing power further increased

Intelligent **11.0EFLOPS** General **4.1EFLOPS** **IDC upgrade to AIDC** **>80%** of newly added computing power and cabinets were deployed at "East-to-West Computing Resource Transfer" nodes; avg. inter-nodal access latency **↓>10%**

Elastic compatibility with 2->50kW cabinets

Large-scale intelligent computing cluster in Shanghai to be in operation in 2024

Ten-thousand GPUs in one single pool to support 1T-parameter training
Full liquid cooling to remarkably boost training efficiency

Secure and green

Security capability leadership maintained

Anti-DDoS cleaning capacity **No. 1 in PRC**

Pioneer in commercial use of quantum metropolitan network in Hefei, Anhui

Greenness and energy saving further strengthened

AI energy saving in **1,540** facility rooms and **4.8Mil** 4/5G sectors

Intelligent and agile

Unified scheduling

Proprietary new generation cloud-network operating system launched, enabling unified scheduling of IP, transmission, 5G, etc.

Automaton and intelligence upgrade

Launched "Qiming", **the 1st large model in information communication field**
Overall level of automation and intelligence of cloud-network operation reached **L3, L4** in 5G core and certain scenes

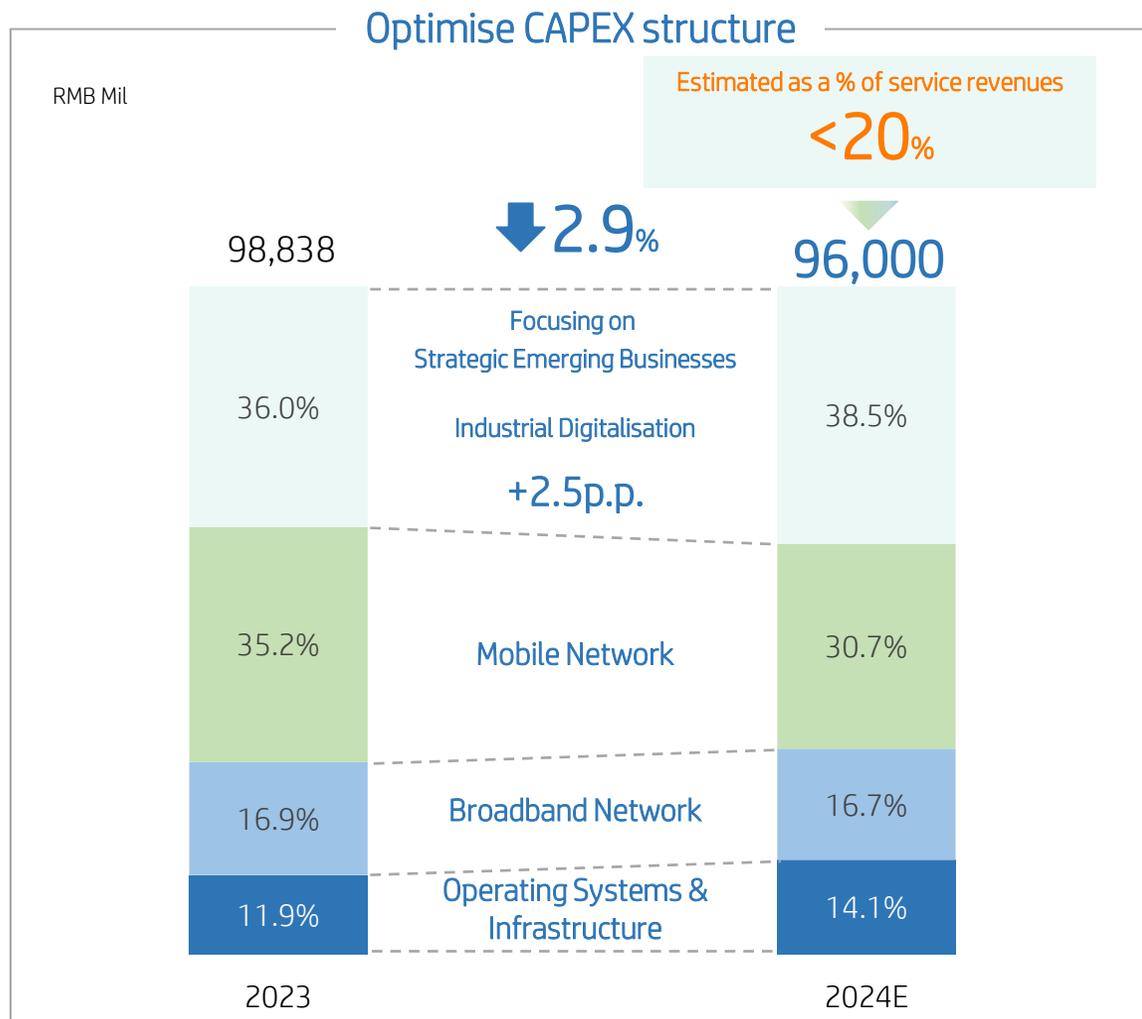
Capabilities open-up

Aggregated **>300** cloud-network capabilities of entire network with **38.9Bil** times of accesses cumulative and 13 benchmark capability products were developed

Notes:

- No. of 800MHz BTS activated as in Jan-2024
- The industry's common calculation method has been applied for computing power. Intelligent computing power is calculated using FP16, while general computing power is calculated using FP32

CAPEX Optimised to Focus on Future



Focus on future development

<p>Cloud/computing power CAPEX</p> <p>RMB18.0Bil</p>	<p>Intelligent computing</p> <p>↑ >10EFLOPS</p> <p>To reach >21EFLOPS</p>
<p>All-out effort to build AIDC for intelligent computing</p> <p>Agile, elastic, green</p>	
<p>Mobile network CAPEX</p> <p>RMB29.5Bil</p> <p>To build 4G/5G co-shared network leading in experience, efficiency and technology</p>	<p>Broadband network CAPEX</p> <p>RMB16.0Bil</p> <p>Gbps fibre network coverage to further extend; carrying network capability to upgrade</p>

Fully Deepen Reforms and Open-up

Establish comprehensive competitive edges for system integration

Further refine building of organisation and system

- **Headquarters:** Strengthen capabilities in sci-tech innovation, talent development, corporate governance, etc.
- **Provincial branches:** Comprehensively promote the optimisation of the main process with cloud core platform as hub
- **Professional companies:** Enhance sci-tech research, market expansion and professional capabilities in AI, IoT, unmanned technology, quantum, industrial BGs and other fields

Expedite digital transformation

- **Business:** Strengthen capabilities in product offering, online sales and precision marketing
- **Management:** Strengthen cost-benefit association and promote flexible resource initiative to enhance input efficiency
- **Operation:** Digitalisation of construction, delivery and maintenance to enhance cost management level

Deepen the reform of market-oriented systems and mechanisms

- **Sci-tech innovation:** Refine R&D system at the headquarters, provincial and municipal levels
- **Talent recruitment:** Leading talents in key areas such as cloud, AI and quantum
- **Incentive mechanism:** A more precise, flexible, standardised and efficient income distribution mechanism

Build win-win ecological landscape

Strengthen industrial cooperation

- **World Broadband Association (WBBA):** Work with 77 members to promote the development of the global cloud-network broadband industry and enhance the influence of the association

Strengthen collaboration with academic institutions

- **Technological research:** Establish joint laboratories for researches on intelligent computing network, satellite Internet and large models
- **Talent nurturing:** Cooperate with universities and focus on emerging technology fields

Business and channel cooperation in key areas

- Extend to upstream and downstream of innovation and service chains, jointly create products and applications, and share earnings and values

Increase Dividend to Reward Shareholders



Endeavor to create value and fully fulfilled the commitment during A Share issuance

The Board of Directors recommends

Full-year dividend

2023 final dividend
RMB **0.090** per share

RMB **0.2332** per share

Payout ratio for the year

>70%

↑19.0%

The Company attaches great importance to shareholder returns; taking the overall shareholders' interest, the Company's profitability into full consideration, alongside cash flow levels and capital needs for its future development, striving to create more value for shareholders

Active Implementation of Green Development Principles



Green sci-tech innovation

Technological breakthrough

- Participated in setting **≈30** “Dual Carbon” standards at various levels
- Established Green and Zero-Carbon Innovation Pilot Base in Qinghai

Achievement conversion

- Launched a series of proprietary green and low-carbon products, e.g. e Secure Energy, e Energy Saving, e Extreme Cooling and 5G Integrated Smart Power Supply Cabinet

Green upgrade of cloud-network

Green cloud-network

- Build a highly efficient, intelligent, green and low-carbon network that is end-to-end dynamically adjustable and automatically energy-saving

Energy-saving and emissions reduction

- Reduced GHG emission by **>13Mil** tons
- Annualised AI energy saving in BTS and facility rooms **≈800Mil kWh, ↑18.6%**
- GHG emissions per unit of total volume of telecommunications services **↓19.6%**

Green product and service portfolio

Green elements in products

- Green cloud drive, green cloud computer, zero-carbon datacentre, zero-carbon cloud, green public service
- Green reward point scheme to promote green lifestyle and green consumption

Empower green and low-carbon transformation of society

- Leverage AI, loVT, IoT and other technologies to form capabilities such as energy consumption monitoring, robot patrol, remote repair and maintenance, etc.
- Empowered **>100Mil** tons of GHG emission reduction in the society

Proactively Fulfill Social Responsibilities



Environment

Emission • Scope 1/2 emissions ↓15.0%/↓3.7%

Energy consumption • Green power consumption ↑>3x
• Power generation by self-built distributed energy facilities ↑2x

Products • Develop a series of proprietary green products such as photovoltaic energy storage and IDC sites energy management systems

Operation • Strengthen green procurement, logistics, inspection and recycling with AI
• Launch internal carbon trading trial and create internal carbon statistics

Society

Rural revitalisation • Top grade awarded for 5 consecutive years in assessment of targeted support
• Digital villages penetration among administrative villages >60%

Employee growth • >880k person-times received Cloudification and Digital Transformation trainings, ↑137.7%
• Enhance employee satisfaction, safeguard physical and mental wellness, etc.

Social welfare • 96 “Caring Stations” awarded “Most Beautiful Service Station”, in the front rank
• Held 140k charity activities, serving >13 Mil person-times

Communication assurance • Emergency communication: communication assurance in flood/disaster relief, etc.
• Major events: Hangzhou Asian Games, Chengdu Universiade, the Belt and Road Forum for International Cooperation, etc.

Governance

Legal person governance structure • Shareholder meeting, the Board of Directors, the Supervisory Committee and the management perform respective duties and operate in a coordinated manner

Board practices • Attentive to ESG management by formulating overall strategies and supervising the implementation progress and effectiveness

Risk control and compliance • Strengthen compliance management and elevate risk prevention level to consolidate the foundation for stable operation

Governance of subsidiaries • Enhance governance system with Articles of Association
• Establish Board of Directors according to business feature and development stage to improve the governance system

Notes:

1. Scope I: Direct greenhouse gas emissions include the greenhouse gas emissions from use of natural gas, coal, gasoline and diesel; Scope II: Indirect greenhouse gas emissions include the greenhouse gas emissions from purchased electricity and heating power
2. Assessment of targeted support refers to review and assessment of targeted support carried out by central units
3. “Most Beautiful Service Station” honour is awarded by All-China Federation of Trade Unions; no. of such awards by China Telecom enjoyed a leading ranking among national partnering units
4. Please refer to the Company’s *Sustainability Report 2023* for more details of the Company’s ESG development

Deeply Implement Cloudification and Digital Transformation Strategy and Comprehensively Push Forward High-quality Development



Favourable policies	Strong demand	Sci-tech transformation
Digital economy RMB60Tril		
Digitalised, intelligentised, green, secure		
Core computing power industry	Cloud computing	Industrial Internet
	AI	IT Security

3-yr targets

Service revenues	Net profit	CAPEX as a % of service revenues
maintain favourable growth	growth higher than revenue growth	continue to decrease

Within 3 years from 2024, the profit to be distributed in cash will gradually increase to **>75%** of the profit attributable to equity holders of the Company for that year

Accelerate the building of World-class Enterprise
Further enhance corporate value and actively reward shareholders

Continue to deeply implement the Cloudification and Digital Transformation Strategy

With network as the foundation and cloud as the core, grasp development direction of AI development and innovate product and service offerings and accelerate the formation of new quality productive forces

Step up innovation in strategic emerging businesses	Provide high-quality digital products and services
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Continue to upgrade network infrastructure	Comprehensively promote green transformation and development	Comprehensively deepen reforms and open-up
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Overview

Business Review & Financial Performance

Mr. Liu Guiqing, Executive Director & EVP

Fundamental Businesses Grew Healthily



Mobile

Mobile Communications
Service revenue

RMB195.66Bil

↑2.4%

Mobile value-added and
applications revenue

RMB25.75Bil

↑12.4%

Mobile subs
408Mil

↑16.59Mil

5G package subs penetration
78.1%

+9.6p.p.

Wireline and Smart Family

Wireline and Smart Family

Service revenue

RMB123.06Bil

↑3.8%

Smart Family

revenue

RMB18.95Bil

↑12.8%

Broadband subs
190Mil

↑9.26Mil

Gbps subs penetration
24.6%

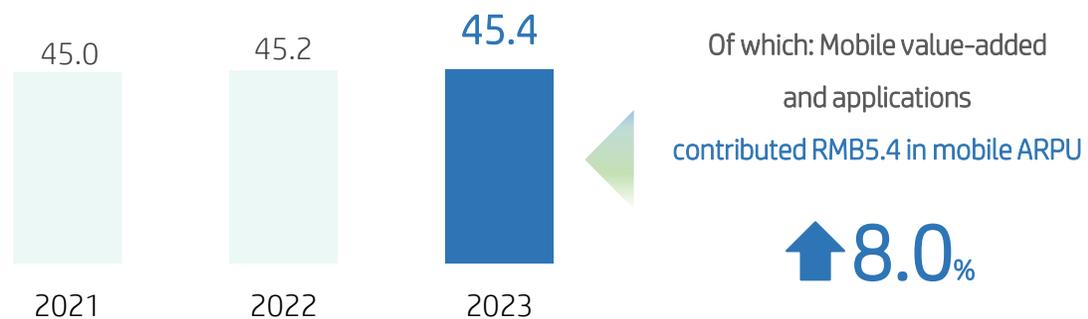
+7.8p.p.

Innovative Applications Augment Value

Enriching applications and services to drive ARPU uplift

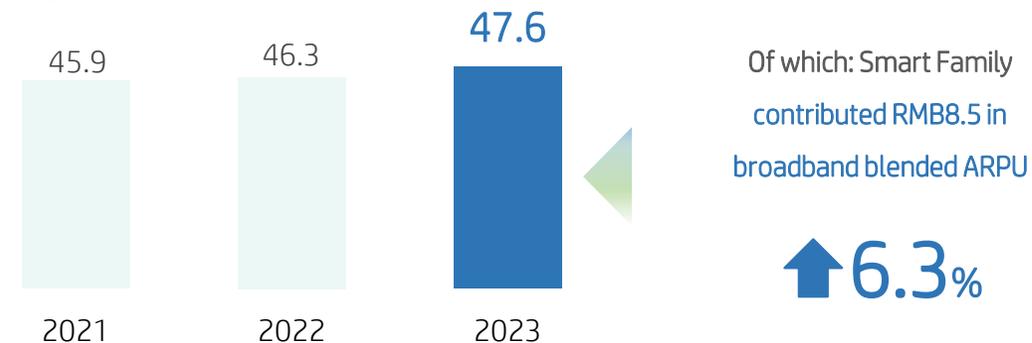
Mobile ARPU

RMB



Broadband blended ARPU

RMB



Accelerate 5G brand-new upgrade

- 5G handset direct-to-satellite
- 5G Quantum-Encrypted calls
- AI Colour Ringback Tone with Video
- AI Communications Assistant
- 5G e-Surfing Cloud Drive

Accelerate Smart Family brand-new upgrade

- Gbps broadband 1000M
- FTTR
- Whole-home Intelligence
- e-Surfing Webcam
- Family Cloud Computer

Smart Community, Digital Village platforms further upgrade with multi-scene integration and mutual promotion, effectively drive scale and value uplift of fundamental businesses

Smart Community platforms
Scale ↑ 46%

Digital Village platforms
Scale ↑ 48%

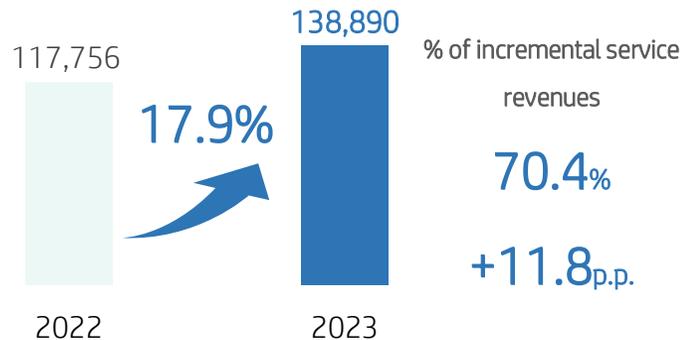
Industrial Digitalisation Leadership by Integration of Digital Technologies and Real Economy



Seize opportunities to achieve rapid development

Industrial Digitalisation revenue

RMB Mil



No. of 2G/2B customers

↑11.3%

Proprietary platforms save costs and enhance efficiency

Scale of fundamental capabilities expanded

Capabilities for sale

7,450

No. of accesses

27.2Bil

Cumulative transaction

RMB5.31Bil

Cost saved

e.g. Cost of outsourcing of a smart city project

↓25%

Drove ICT project scale development

No. of projects driven

>5,000

Contract amount secured

↑>300% yoy

Proprietary digital platform as a % of industrial software-type projects

>30%

Solid footprint in various industries

Digital gov't admin.

- **One-hardware one-software infrastructure:** Cloud-network integrated hardware infrastructure, gov't admin. cloud + electronic intra- / internet in 29 provinces; component library, data asset management and other generic software infrastructure with >100 decoupled capability components
- **Two services of consultation/operation:** Top-level design and data governance operation of smart city provincial-level penetration 16.1%
- **Three core platforms:** One-stop portal of gov't admin. services in 20 provinces; unified urban management in 15 provinces; multi-departmental collaboration in 10 provinces
- **N industrial applications:** Covering market regulation, medical products regulation, civil affairs, customs, etc.

Digital industry

- **Networked connection:** 5G deterministic network covers >2,700 factories, proprietary industrial PON reached L4
- **Intelligent transformation:** e-Cloud Collection terminal collects real-time production data and applied in 15 segments such as electronics; e-Cloud Control platform achieved cloud-based PLC decoupling and multi-facility unified control, applied in 12 scenes such as tobacco
- **Digital transformation:** Industry Brain and other applications service ≈400 government and industry parks; ranks 1st tier in industrial Internet market

Digital livelihood

- **Healthcare:** People's health data platform and county-level integrated healthcare system platform in 25 provinces
- **Education:** Lecture streaming cloud, campus security platforms in >220 cities and >180k schools
- **Culture and publicity:** >300 benchmark cases formed in all-for-one tourism platform and culture and tourism Big Data, covering 23 provinces and 88 cities

Empower Enterprises with Cloud, Big Data and AI



Cloud and computing power

China Telecom Cloud

No. of gov't and enterprise customers

↑35.3%



A customer in construction sector: Built an integrated management and operation system for the customer based on full stack proprietary cloud foundation of China Telecom Cloud 4.0; the customer's 67 secondary and tertiary units and >300 operating systems are using full stack services of China Telecom Cloud

Computing power

84 projects



Intelligent computing project for an AI company: Leveraged "Yunxiao" to provide foundation support for the customer's large model training at various stages of up to billions of data



PRC's 1st intelligent computing power vehicle: Provided integrated service of "20 PFLOPS AI computing power + 10B-grade parameter model training", and capable of elastically expansion to form cluster

AI and Big Data

AI

No. of subs using AI-powered Communications Assistant, IoT and Colour Ringback Tone with Video

≈30Mil

Large vertical models empowered >600 projects in use cases such as grassroots governance, smart customer service, and smart city



Industrial quality inspection project for a garment enterprise: Provided garment inspection service for the customer based on surface defect inspection and other proprietary AI capabilities; common defect inspection accuracy rate ↑25% and production efficiency ↑50%

Big Data

Built

>100

data service platforms



A city's data element project: Obtained authorisation to operate public data of entire city and built >40 products such as gov't admin., urban governance and accessible services for people and enterprises; in which the inclusive finance service integrated >500Mil entries of data to validate credit status of farmers and other units, promoting fund flow and matching in rural areas. The cumulative credit line and credit utilisation rate ranked No. 1 in the province

Strengthen Network Security with Innovative Breakthroughs in Quantum



Security

Rapid revenue growth

Revenue
 ↑ **23.5%**

Leading market position

Cloud Dam
 Market share **No. 1**
 e-Surfing Security Brain revenue
 ↑ **≈100%**

Extensive market recognition

Gartner Top Service Providers Selection	Yunmai SASE MIIT's 1st batch of "Double Excellence" certification	Selected "PRC's Top 100 Digital Security Companies"
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Quantum

Sci-tech innovation

Completed the design of password system for terrestrial QKD heterogeneous networking architecture and the integration of QKD and classic passwords

Full upgrade of product capabilities

Industry's pioneer to provide quantum security 5GCPE products
 DICT+ quantum
 Product offerings for all use cases

Quantum metropolitan network:

- City-level quantum communication infrastructure: quantum keys distribution network + quantum security service platform + conventional communication network; 1,147 km of optical fibre in the quantum keys distribution network
- Service: quantum secure access, data transmission encryption, etc.

Note:
 1. "PRC's Top 100 Digital Security Companies" was released by Digital World Consulting, a third-party research and consulting institution for digitalisation industry of PRC

Aerial-ground Integration with Platform Empowerment



5G customised network

<p>Rapid scale development</p> <p>No. of industrial application projects</p> <p>Cumulative >31k</p> <p>Annualised increment ↑106.3%</p> <p>Penetration in Top 100 Manufacturing Enterprises</p> <p>56%</p>	<p>Extensive benchmark case replication</p> <table border="1"> <tr> <td>Manufacturing</td> <td>Mining</td> </tr> <tr> <td>3,000</td> <td>500</td> </tr> <tr> <td>Smart cities</td> <td>Education</td> </tr> <tr> <td>150</td> <td>100 colleges</td> </tr> <tr> <td>...</td> <td></td> </tr> </table>	Manufacturing	Mining	3,000	500	Smart cities	Education	150	100 colleges	...	
Manufacturing	Mining										
3,000	500										
Smart cities	Education										
150	100 colleges										
...											

IoT

<p>Revenue</p> <p>↑48.3%</p>	<p>Subs</p> <p>>520Mil</p>
<ul style="list-style-type: none"> Urban management platform for a 1st-tier city: Industry-leading proprietary IoT Cognition Cloud Platform empowers >100 urban management applications such as flood level detection, water supply facilities operation/maintenance and fire protection, to enable the customer to fully grasp the city’s status such as heat distribution, location & condition, alert statistics and facility condition; launched in >10 provinces and cities nationwide 	

Satellite

- Service:** Pioneered “Satellite as a Service S+” concept in the industry
- Industrial:** Use cases incl. environmental monitoring, oil pipeline monitoring, remote industrial monitoring and natural disaster alerts; services provided incl. data collection & broadcasting and interactive control
- Emergency:** Communications assurance for emergency rescue and telecommunication services in disaster-stricken areas

loVT

<p>Revenue</p> <p>↑29.7%</p>	<p>Subs</p> <p>>77Mil</p>
<ul style="list-style-type: none"> A global catering chain group: All 206 branches in a city were included in the “AI-powered loVT + kitchen monitoring” solution to enhance brand reputation through regulated production 	

Note:

1. Top 100 Manufacturing Enterprises refers to the 1st 100 enterprises in the China Top 500 Manufacturing Enterprises ranking released by China Enterprise Confederation and China Enterprise Directors Association

Seize Opportunities with Solid Global Footprint



Solid footprint in international businesses and refine global deployment

53

branches

>2,000

employees

International business revenue

>RMB13.7 Bil

Int'l roaming outbound subs

↑ ≈3x

Strengthen overseas establishment of strategic emerging businesses

China Telecom Cloud

15 global CDN nodes added

1st to obtain of global satellite mobile number resources among PRC's telcos

>300k overseas IoT connections

Continuous strengthening of overseas cloud-network infrastructure

Capacity of int'l transmission network backbone

≈115Tbps

>6,000 overseas cabinets

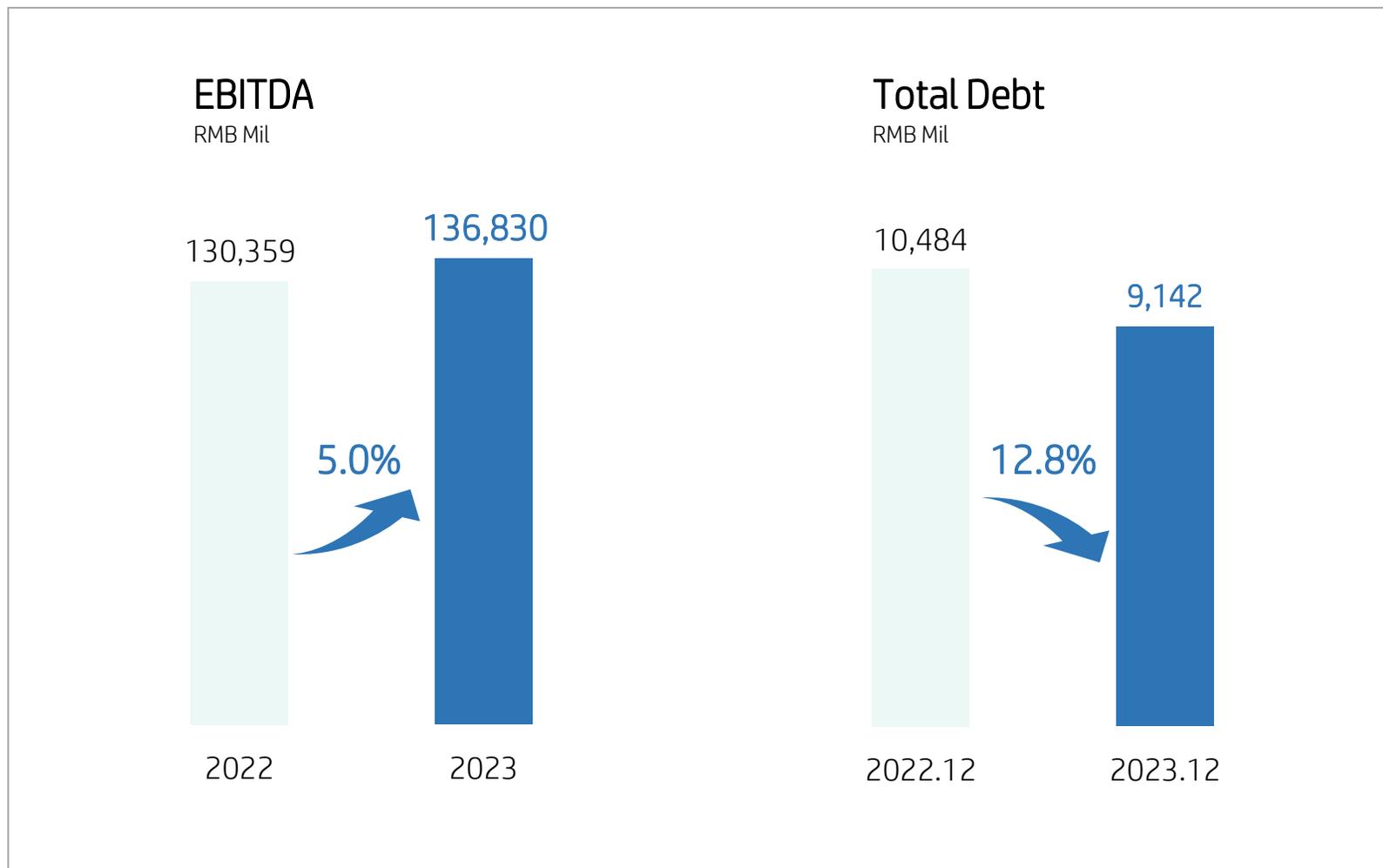


Precise Cost Allocation with Structure Continuously Optimised



RMB Mil	2023	Change	
Operating Expenses	476,423	6.3%	<ul style="list-style-type: none"> Seized the strategic opportunity from the rapidly developing digital economy by increasing initiatives in key areas such as sci-tech innovation and Industrial Digitalisation, with continuous enhancement in resource efficiency
Incl. Depreciation & Amortisation	99,702	2.9%	<ul style="list-style-type: none"> Precise initiatives in digital information infrastructure based on cloud-network integration Expanded 5G co-build and co-share and 4G co-share with China Unicom Declined as a % of service revenue yoy
Network Operations & Support	160,411	8.7%	<ul style="list-style-type: none"> Continued to enhance network quality and capabilities to support the rapid development of Industrial Digitalisation and Smart Family by appropriately increasing capability initiatives Leveraged AI and digital means to step up refined management for resource utilisation uplift
Personnel	92,805	9.5%	<ul style="list-style-type: none"> Strengthened recruitment of sci-tech and innovation talents, disburse mid-/long-term incentives, increased incentives to high-performance teams
SG&A	66,804	3.9%	<ul style="list-style-type: none"> Maintained necessary S&M initiatives and accelerate scale development for value Strengthened online/offline collaboration and AI precision marketing and enhanced selling expense efficiency Declined selling expense as a % of service revenue yoy
Interconnection Charges	13,910	6.6%	<ul style="list-style-type: none"> On par with interconnection-related revenue growth
Cost of Goods Sold	40,819	3.1%	<ul style="list-style-type: none"> Increased sales volume of mobile terminals and system integration equipment

Financial Strength Enhanced



Sound capital structure supports healthy corporate development

Debt-to-asset ratio
46.5%

Corporate credit rating maintained the highest
AAA

- Notes:
1. Total Debt 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 debts in duration in May 2022



Most Outstanding Company
in China – Communication
Services Sector



Most Honored Companies



Asia's Best CSR



Best Social
Responsibility Initiative



Best Corporate ESG
Strategy in China

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Appendix 1 — IFRS Accounting Standards

Appendix 1.1: Extracted from Audited Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2023



RMB Mil	2022	2023	Change
Operating Revenues	481,448	513,551	6.7%
Service Revenues	434,928	464,965	6.9%
Mobile Communications Service	191,026	195,660	2.4%
Incl.: Handset Internet Access	144,074	146,431	1.6%
Wireline and Smart Family Service	118,534	123,063	3.8%
Incl.: Broadband Access	80,550	86,941	7.9%
Smart Family	16,802	18,951	12.8%
Industrial Digitalisation	117,756	138,890	17.9%
Other Service Revenues	7,612	7,352	(3.4%)
Revenues from Sales of Goods and Others	46,520	48,586	4.4%
Operating Expenses	(448,021)	(476,423)	6.3%
Depreciation & Amortisation	(96,932)	(99,702)	2.9%
Network Operations & Support	(147,589)	(160,411)	8.7%
Incl.: Tower Usage Fee	(11,627)	(11,852)	1.9%
Personnel	(84,772)	(92,805)	9.5%

RMB Mil	2022	2023	Change
SG&A	(64,277)	(66,804)	3.9%
Incl.: Selling Expense	(50,486)	(51,195)	1.4%
Other Operating Expenses	(54,451)	(56,701)	4.1%
Incl.: Interconnection Charges	(13,052)	(13,910)	6.6%
Cost of Goods Sold	(39,592)	(40,819)	3.1%
Operating Profit	33,427	37,128	11.1%
Net Finance Costs	(7)	(332)	4,462.1%
Investment Income and Others, Share of Profits of Associates and Joint Ventures	2,294	2,408	5.0%
Profit Before Taxation	35,714	39,204	9.8%
Income Tax	(8,038)	(8,776)	9.2%
Profit for the Year	27,676	30,428	9.9%
Incl.: Equity Holders of the Company	27,593	30,446	10.3%

	2022	2023	Change
Free Cash Flow	13,249	12,988	(2.0%)

Notes:

1. Mobile service revenues in 2023 amounted to RMB217,572Mil, representing an increase of 5.1% year-on-year, wireline service revenues amounted to RMB247,393Mil, representing an increase of 8.5% year-on-year
2. Excluding the impact resulting from the application of IFRS 16, the tower usage fee in 2023 was RMB20,258Mil
3. Free Cash Flow = EBITDA – CAPEX – Income Tax Expenses – Depreciation Charge for Right-of-Use Assets Other than Land-Use-Rights (2023: RMB16,228Mil)

Appendix 1.2: Extracted from Audited Consolidated Statement of Financial Position as at 31 December 2023



RMB Mil	2022.12.31	2023.12.31
Current Assets	141,072	167,863
Non-current Assets	666,626	667,951
Total Assets	807,698	835,814
Current Liabilities	281,737	303,436
Non-current Liabilities	89,534	85,211
Total Liabilities	371,271	388,647
Total Equity	436,427	447,167
Incl.: Equity Attributable to Equity Holders of the Company	432,089	442,926

Appendix 2 — CASs

Appendix 2.1: Extracted from Audited Consolidated Income Statement for the Year Ended 31 December 2023



RMB Mil	2022	2023	Change
Operating Revenues	474,967	507,843	6.9%
Operating Costs	339,940	361,422	6.3%
Taxes and Surcharges	1,643	1,862	13.3%
Selling Expenses	53,803	56,117	4.3%
General and Administrative Expenses	33,578	35,715	6.4%
Research and Development Expenses	10,560	13,052	23.6%
Finance Expenses	7	332	4,462.1%
Asset and Credit Impairment Losses	2,441	3,507	43.7%
Investment Income	2,265	2,374	4.8%
Gains on Disposal of Assets, Other Income and Losses from Changes in Fair Value	6,044	4,359	(27.9%)
Operating Profit	41,304	42,569	3.1%
Net Non-operating Income and Expenses	(5,590)	(3,365)	(39.8%)
Profit before Taxation	35,714	39,204	9.8%
Income Tax Expenses	8,038	8,776	9.2%
Net Profit	27,676	30,428	9.9%
Incl.: Equity Holders of the Company	27,593	30,446	10.3%
Net Profit Attributable to Equity Holders of the Company excluding Extraordinary Gains and Losses	27,189	29,553	8.7%

Appendix 2.2: Extracted from Audited Consolidated Balance Sheet as at 31 December 2023



RMB Mil	2022.12.31	2023.12.31
Current Assets	141,072	167,863
Non-current Assets	666,626	667,951
Total Assets	807,698	835,814
Current Liabilities	277,874	301,027
Non-current Liabilities	93,397	87,620
Total Liabilities	371,271	388,647
Total Shareholders' Equity	436,427	447,167
Incl.: Equity Attributable to Equity Holders of the Company	432,089	442,926

Appendix 3 — Operating Figures and CAPEX Structure

Appendix 3.1: Operating Figures



Selected Operating Metrics for the Year Ended 31 December 2023

Subscriber (Mil)	2022.12	2023.12	Change
Mobile	391.18	407.77	16.59
Incl.: 5G package	267.96	318.66	50.70
Wireline Broadband	180.90	190.16	9.26
Access Lines in Service	104.95	101.02	(3.93)
IPTV	125.71	127.81	2.10
IoT Connected Devices	406.64	526.74	120.10

	2022	2023	Change
Mobile ARPU (RMB)	45.2	45.4	0.4%
5G ARPU (RMB)	50.8	47.2	(7.1%)
Handset Data Traffic (kTB)	60,193	72,772	20.9%
Wireline Broadband ARPU (RMB)	38.3	39.1	2.1%
Wireline Broadband Blended ARPU (RMB)	46.3	47.6	2.8%

Appendix 3.2: CAPEX Structure



RMB Mil	2023	2024E
Industrial Digitalisation	35,539	37,000
Mobile Network	34,827	29,500
Broadband Network	16,750	16,000
Operating Systems and Infrastructure	11,722	13,500
Total	98,838	96,000