



2023 Interim Results

China Telecom Corporation Limited

8 August 2023

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 | Implemented Cloudification and Digital Transformation fully and deeply to achieve steady growth in operating results
- 2 | Insist on the leading role of sci-tech innovation to elevate corporate core competitiveness
- 3 | China Telecom Cloud maintained rapid growth and AI continued to strengthen in capability of intelligence empowerment
- 4 | Precision investment with structure optimised and solidify digital information infrastructure
- 5 | Digital transformation as the steadfast main line to enhance quality and efficiency and facilitate value creation
- 6 | Deepen reform and open for cooperation and accelerate the building of World-class Enterprise

Steady Growth in Operating Results



RMB Mil	1H2022	1H2023	Change
Operating Revenues	242,319	260,664	7.6%
Incl.: Service Revenues	221,384	235,977	6.6%
EBITDA	69,848	73,346	5.0%
Net Profit	18,291	20,153	10.2%
EPS (RMB)	0.20	0.22	10.2%
Interim DPS (RMB)	0.12	0.14	19.3%

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 1H2023 vs 1H2022, or 2023.6.30 vs 2022.6.30; all figures are based on International Financial Reporting Standards (“IFRSs”)

New Achievements in Corporate Development



Revenue maintained favourable growth

Service revenues

↑ 6.6%

Surpassed industry growth
10th consecutive year of growth

Industrial Digitalisation revenues
as a % of service revenues

29.2% ↑ 2.6 p.p.

Operating profit continued to grow

Net profit

↑ 10.2%

Maintained double-digit growth
Surpassed revenue growth

Net profit margin

8.5% ↑ 0.2 p.p.

R&D and innovation continued to break through

China Telecom Cloud

Source of original technologies
Multi-chip architecture in one cloud
and full stack proprietary tech

AI large models

Large language model TeleChat
Xinghe visual foundation model 2.0

Quantum

Leading Quantum-encrypted Calls
and quantum metropolitan network

Corporate reform continued to deepen

Grade A

in 2022 assessment of key missions
of three-year action for the reform
of central enterprises

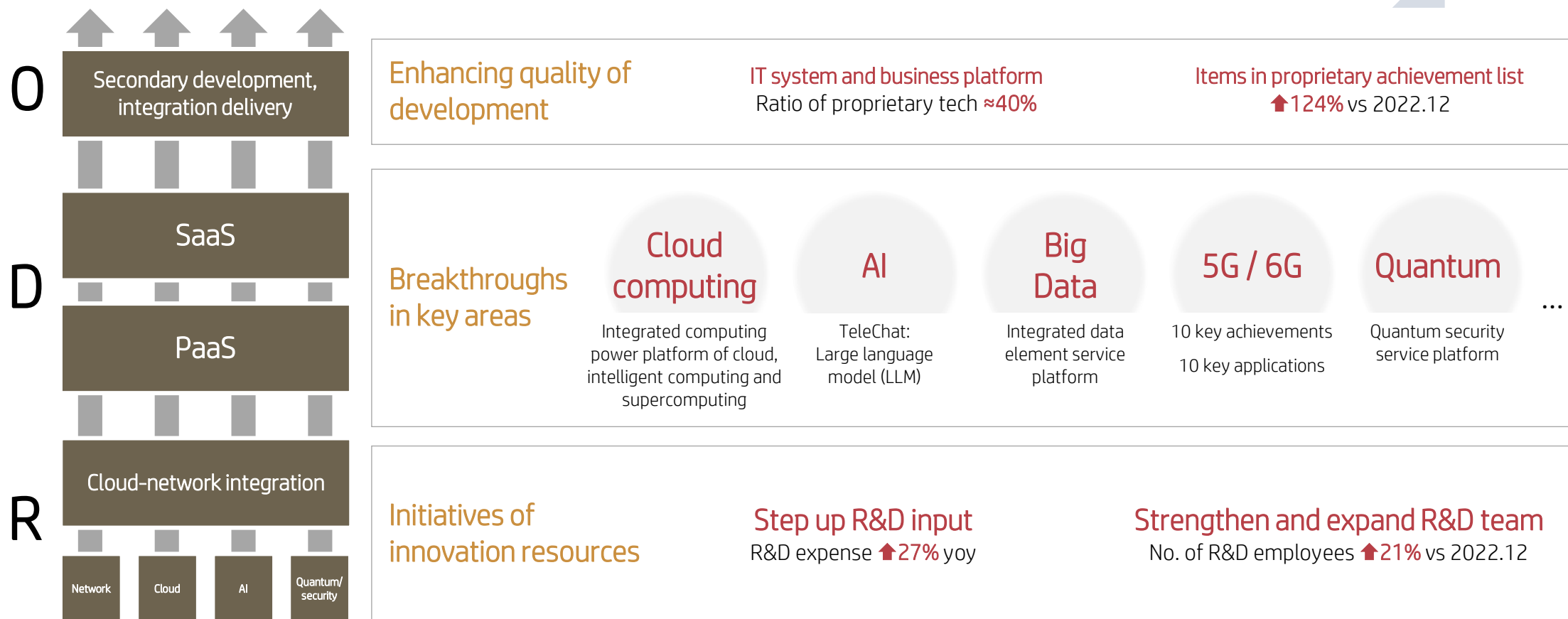
Notes:

1. Source of industry service revenue growth: The performance of the communications industry economy in the first half of 2023 released by MIIT.
2. Net Profit Margin = Net Profit / Service Revenues x 100%

Insist on the Leading Role of Sci-tech Innovation and Continue to Elevate Corporate Core Competitiveness



To forge new momentum and new edges for development by forming the cycle from technologies, product to industrial development and expediting achievement conversion



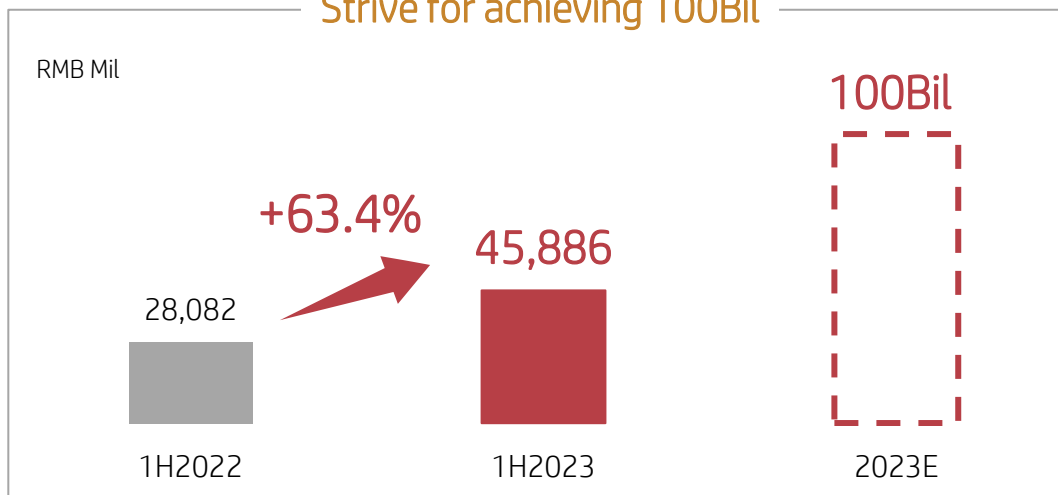
Notes:

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")

China Telecom Cloud Maintained Rapid Growth



Strive for achieving 100Bil



Market leadership maintained

Gov't admin. public cloud infrastructure No.1	China Telecom Cloud accounted for 60% of SASAC's 40 industrial public cloud projects
Public cloud IaaS, IaaS + PaaS market share Top 3	
Desktop-as-a-Service (DaaS) in PRC No.1	
Global telco cloud No.1	

National Cloud framework formed to support rapid growth

Proprietary full stack technologies	Industry-leading computing power layout	Enriched and premium product capability	Secure and trustworthy operating capability	Open and collaborative National Cloud ecology
<ul style="list-style-type: none"> Scale application of proprietary Zijin DPU Cloud operating system TeleCloudOS4.0 Proprietary cloud native database TeleDB 	<ul style="list-style-type: none"> 2+4+31+X+0 computing power "One-City-One-Cloud Resources Pool" covers >270 cities Cloud-intelligent computing-supercomputing integration 	<ul style="list-style-type: none"> Full stack public cloud products Integratable full stack hybrid cloud In Leaders Quadrant of cloud terminal market 	<ul style="list-style-type: none"> Industry No. 1 in no. of passes in "Trusted Cloud" assessment Industry No. 1 in no. of 5 Star+ cloud hosting resource pools The only mainstream cloud service provider to own proprietary KMS product certification 	<ul style="list-style-type: none"> Co-shared platform of SaaS application service for SASAC central enterprises 4 ecosystems of technology, application, service and channel >5,000 ecological partners

Notes:

- China Telecom Cloud market share source: IDC
- KMS: Key Management Service

Continued to Strengthen AI Capabilities to Empower Digital Applications



Xinghe platform as the core Leverage the edges of cloud-network integration Empower with foundation models



Proprietary large models

Launched a generative large language model, TeleChat
Applicable to intelligent customer service, smart gov't admin. and other scenes

Upgraded Xinghe visual general-purpose model to ver. 2.0
First visual general-purpose model in urban governance with ten-billion parameters scale

Distillate and incubate industrial applications

Algorithm warehouse

Proprietary core algorithm warehouse
5,500 domain-dependent algorithms with certain industry-leading ones

Introduced industry-leading algorithms
Develop industry ecology and provides standard OpenAPI

Xinghe AI platform

Data annotations-model training-computing power scheduling one-stop service, model delivery, unified model scheduling

Yunxiao: First computing power platform integrating cloud, intelligent computing and supercomputing by telco

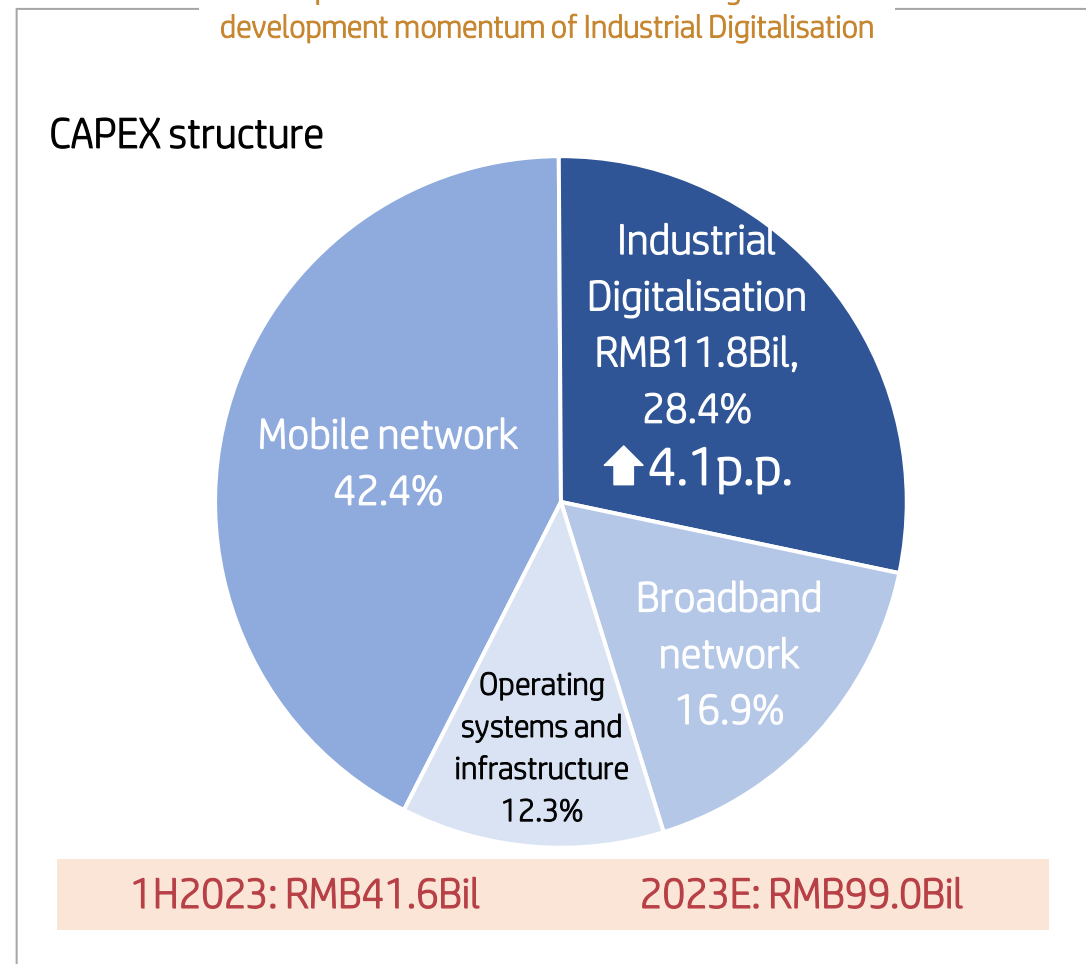
Lingze: Data element service platform

Cloud-network integration resource endowment

Precision Investment with Structure Optimised and Solidify Digital Information infrastructure



Optimise CAPEX structure to strengthen development momentum of Industrial Digitalisation



Cloud-network integrated computing power infrastructure

Computing power	IDC	DCI
Intelligent (FP16) reached 4.7EFLOPS ↑62.1%	General (FP32) reached 3.7EFLOPS ↑19.4%	534k cabinets serving external customers (% of new adds in high traffic areas >70%)
		All-fibre interconnected IDC/cloud resource pools East-west latency: 1ms/10ms/15ms North-south latency: 1ms/5ms/20ms

Aerial-ground in one, high-speed and ubiquitous network

Gbps	4/5G	Satellite
Covers 300Mil households	5G co-built and co-shared >1.15Mil BTS Basic full coverage in areas above village/towns	Tiantong network service covers PRC
	Cumulative 4G co-shared >2Mil BTS Comprehensive sharing of mid-band spectrum 4G network with China Unicom	

Intelligent and agile cloud-network operating system

Capabilities used 5Bil times/mo; achieve activation and scheduling within minutes for customers' cloud-network businesses

Green and low-carbon cloud-network infrastructure

4/5G BTS AI energy saving coverage 99%. 400Mil kWh of electricity saved
Designed PUE <1.25 for newly built IDC

Secure and controllable end-to-end protection system

Anti-DDoS capability covers entire network, cleaning capacity nearly 11Tbps
Security capabilities pool covers ≈110 cities

- Notes:
- In 2023, general computing power and intelligent computing power are calculated by FP32 and FP16 respectively, and the computing power of 3.8EFLOPS (FP32) by end-2022 is converted accordingly; the growth rates are calculated based on figures after conversion
 - East-west traffic: data traffic between internal servers of datacentres; north-south traffic: data traffic between external users and internal servers of datacentres

Digitalisation Enhances Resource Efficiency



AI and Big Data drive internal digital transformation

Multi-pronged measures to promote cost reduction and efficiency enhancement with net profit maintaining double-digit growth

Cost reduction

Selling expense to service revenues

↓0.7 p.p.

% of low-sales outlets

↓3.4 p.p.

Energy saving

Electricity cost per 4G / 5G BTS

↓10% / ↓16%

Overall carbon emission per overall volume of telecommunications service

↓13.4%

Quality enhancement

% of intelligent customer service volume

↑9.7 p.p.

Tower sharing ratio

↑1.9 p.p.

Efficiency enhancement

Overall FTTH port utilisation rate

↑0.6 p.p.

Wireline terminal recycle rate

↑3.8 p.p.

Increase Dividend to Reward Shareholders



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

The Board resolved to declare interim dividend per share

RMB0.1432

Interim dividend payout ratio

65%

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

The Company will seize the digital economy development opportunities and take due account into shareholders' returns, cash flow and capital requirement for future development, to strive to deliver good returns to shareholders

The Company will recommend at the Annual General Meeting that the profit distributed in cash for the year of 2023 should be increased to 70% or above of the profit attributable to the Company's equity holders for the year, in accordance with the commitment made at the time of A Share issuance

Deepen Reform and Strengthen Cooperation to Fully Unleash the New Momentum for Corporate Development



Accelerate the reform of sci-tech innovation mechanism

- Strengthen the collaboration of RDO R&D system, strengthen the conversion, application and promotion of proprietary achievements
- Expedite the recruitment and cultivation of high-end sci-tech innovation talents and optimise the talent structure
- Implement resource allocation, assessment and incentive policies
- Create the cycle from R&D of technologies, product to industry

Fully promote the restructuring of organisational process

- Restructure corporate main process adapting to Industrial Digitalisation with cloud core platform as hub and adhering to customer-oriented principle

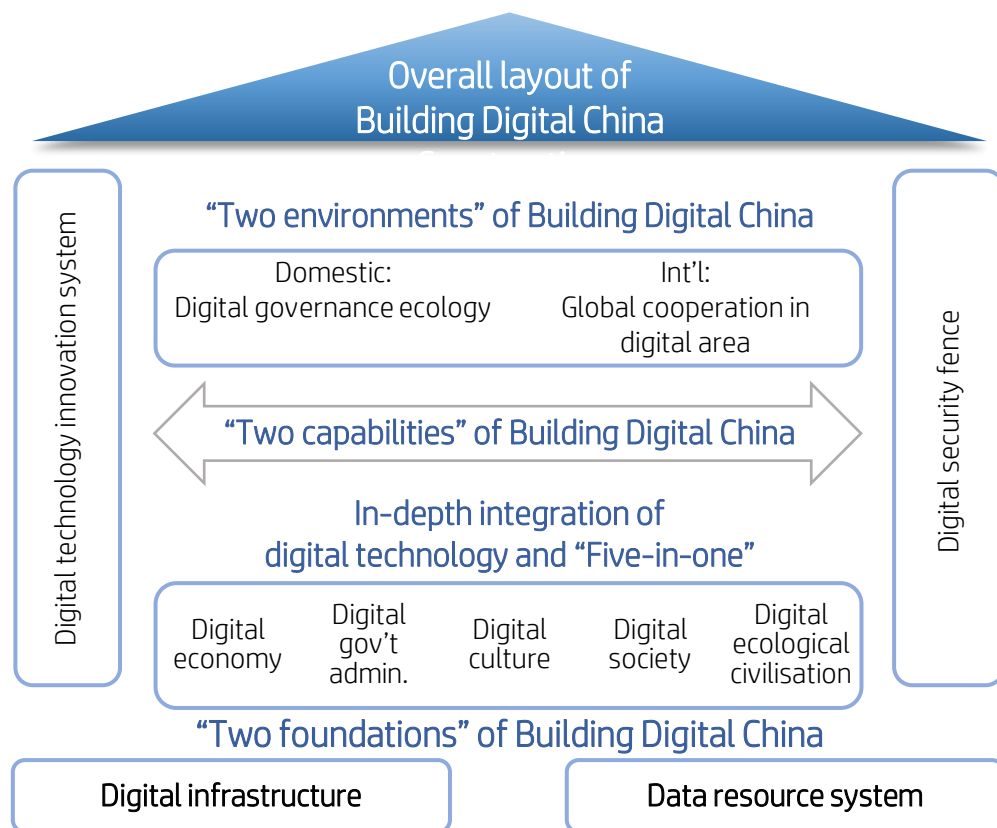
Step up market-oriented reform

- Balance responsibilities, authorities and interests with dual emphasis on incentives and constraints, with headquarters, provincial companies and professionals to operate on market-oriented mechanism
- Business groups including healthcare, education and finance, as well as quantum, AI and other areas took the lead in achieving corporate and market-oriented operation
- Market-oriented assessment and incentives to all employees to boost their vitality

Strengthen ecological integration and Innovation

- Promote the coordinated development of technology, application, channel and service ecologies, and extend to the upstream and downstream of the innovation chain and service chain
- Continue to deepen cooperation among industry, academia and research institutes with focus on strategic emerging industries

Accelerate Developing a World-class Enterprise to Expedite the Building of Digital China



Accelerate establishing World-class Enterprise

- Superb products
- Excellent brands
- Cutting-edge innovation
- Modern governance

Firmly, fully and deeply implement the

Cloudification and Digital Transformation strategy,

Develop service-oriented, technology-oriented and secured enterprise

- Achieve breakthroughs in key core digital technologies
- Enrich the supply of digital products and services
- Strengthen security services in digital environment
- Expedite the construction of digital information infrastructure
- Deepen organisational & mechanism reform to adapt to digitalisation
- Open and co-share digital transformation service platform
- Deepen the project of strengthening the enterprise through talents

Overview

Business Review & Financial Performance

Mr. Shao Guanglu, Executive Director, President & COO



Favourable Progress in Operational Development

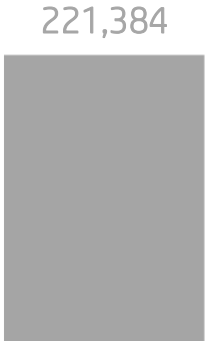


RMB Mil	1H2022	1H2023	Change
Operating Revenues	242,319	260,664	7.6%
Incl.: Service Revenues	221,384	235,977	6.6%
Incl.: Mobile Communications Service	98,956	101,607	2.7%
Wireline and Smart Family Service	59,871	62,024	3.6%
Industrial Digitalisation	58,932	68,802	16.7%
Revenues from Sales of Goods and Others	20,935	24,687	17.9%
Operating Expenses	219,206	235,156	7.3%
Operating Profit	23,113	25,508	10.4%
Net Profit	18,291	20,153	10.2%

Rapid Industrial Digitalisation Growth Maintained



Service revenues
RMB Mil



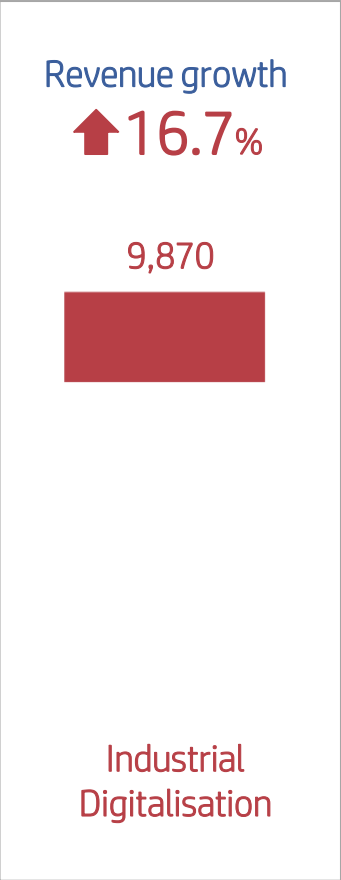
1H2022



Mobile Communications



Wireline and Smart Family



Others



1H2023

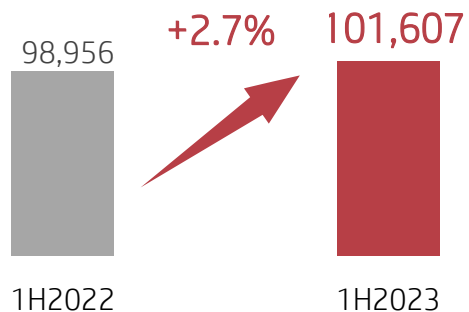
Quality of Fundamental Businesses Steadily Enhanced



Revenues grew steadily

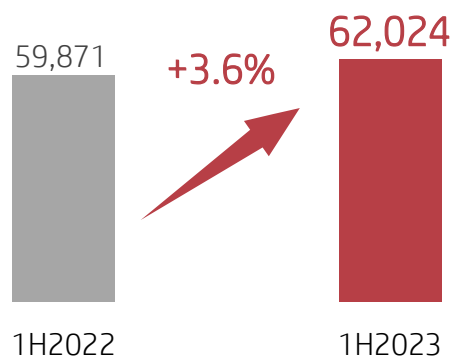
Mobile Communications Service

RMB Mil



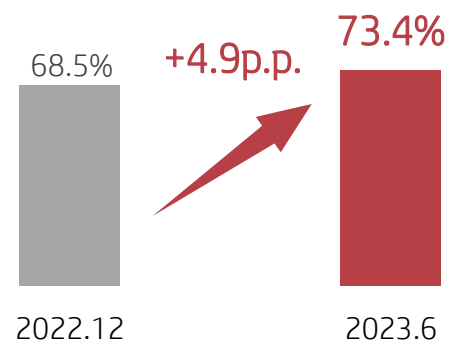
Wireline and Smart Family Service

RMB Mil

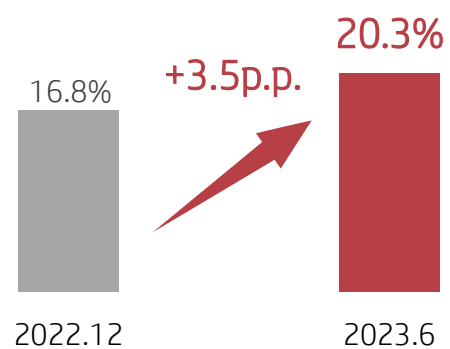


Structure optimised gradually

5G package subs penetration



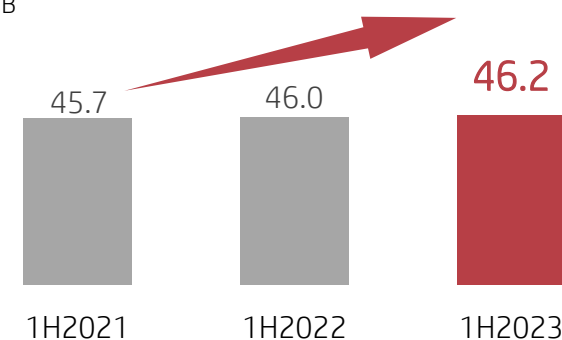
Gbps penetration



Value further increased

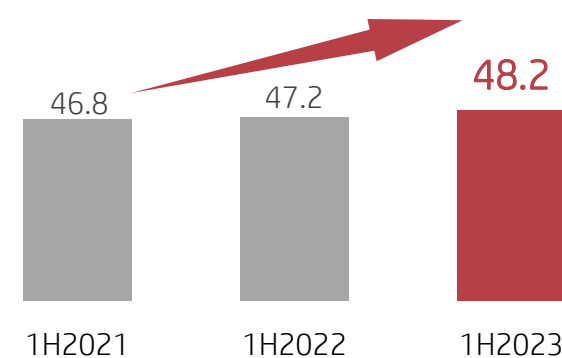
Mobile ARPU

RMB



Broadband blended ARPU

RMB



Notes:

1. Mobile ARPU = Monthly Average of Mobile Service Revenues / Average Number of Mobile Subs
2. Broadband blended ARPU = Monthly Average of Revenues from Broadband Access and Smart Family / Average Broadband Subs

Integration and Mutual Promotion of Fundamental Businesses Enhanced Value Continuously



Value contribution further enhanced

Revenue contribution

Mobile value-added and applications

RMB15.44Bil

↑19.4%

Smart Family

RMB9.32Bil

↑15.7%

ARPU contribution

Mobile value-added and applications

contributed RMB6.5 to
mobile ARPU

↑14.0%

Smart Family

contributed RMB8.5 to
broadband blended ARPU

↑9.0%

Robust development momentum

Standard digital products

Cloud computer
users

↑55%

FTTR
users

↑20x

Security Butler
users

↑75%

Scene-based solutions

Whole-home
intelligence users

↑249%

Smart Communities
scale

↑126%

Digital Villages
scale

↑112%

Digital Products Extensively Empower Transformation and Upgrade

China Telecom Cloud expanded rapidly in markets

Projects won in 1H2023
22k

Contracted amount in 1H2023
RMB26.4Bil

2B customers >3.5Mil
↑17.4%

Of which: Gov't admin. customers >600k
Revenue contribution **27.8%**

Benchmark projects

Gov't admin. Gov't admin. cloud project of a new district: Multi-chip architecture in one cloud, cloud-edge hyperconvergence; formed a new city computing system

Industrial Industry cloud of a central enterprise: Multi-cloud management platform connecting upstream and downstream partners along the industry chain

Culture & tourism A national-level convergent media platform: Public cloud + Big Data services

Finance Cloud project of a finance customer: In-cloud multicast support + China Telecom Cloud Foundation, covering all top-tier securities firms in PRC

AI empowers digital economy development

Proprietary R&D capabilities

Passed certification of CAICT and National FinTech Evaluation Centre

AI large models

Large language model
Multi-modal foundation model
Large visual model

R&D team

Team size of **≈2,000** with a number of leading AI talents

Industrial alliance

Led the establishment of **28** international standards

Internal: Facilitate cost reduction and efficiency enhancement



Base station energy saving: Cover 4.45Mil sectors; **400Mil kWh of electricity saved in 1H2023**



Avatar: AI customer service shares **60%** of video customer service

External: Empower thousands of industries



AI Empowerment: Supported >500 Industrial Digitalisation projects



AI Communication Assistant: >11Mil users



AI for Internet of Video Things (IoVT): Multi-scene image recognition, **>1.8Mil users**



Large model TeleChat: Large models for gov't admin. customer service training and urban livelihood

Integrated security services

Benchmark product—
Cloud Dam
Revenue ≈RMB1.2Bil
↑38.8%

Cloud



Network



Edge



Terminal

- Cloud-network + traffic data to empower cloud data security
- **Hundred mil-grade** native network data

- Cloud-network data scheduling capability; **nearly 11Tbps** processing capability of network attack in seconds

- Leading SaaS-based security capability to provide convenient and flexible service in proximity

- **100k** trusted communication terminals
- **100k** secure dedicated lines

Note: Revenue contribution of gov't admin. customers = revenue from gov't admin. customers / China Telecom Cloud revenue x 100%

Industry-leading Digital Platforms Satisfy Diversified Demand

Build industry-leading digital platforms

No. of proprietary and industry-leading digital platforms for key industries
110

Usage of industrial capabilities on fundamental capabilities platform
1.1 Bil times ↑ **31% yoy**



Urban governance platform
>240 cities



Rural services
1,840 districts / counties



City operation, management and services
20 provinces, >180 projects



Healthcare management platform
580 regulatory bodies, market share >20%



Financial Big Data application platform
>2,700 bank branches



Teaching video cloud
Market share >10%

IoT grew robustly

Revenue RMB **3.3 Bil**
↑ **75.7%**

473 Mil users
↑ **31.5%**

IoVT expanded rapidly

>57 Mil users
↑ **>11 Mil**

- Formed **76 types** open capabilities in 10 categories
- Connects with **>30** security, emergency and other industrial platforms

Smart communities progressed steadily

No. of communities servicing net add **14k**

- Provides **>50** applications in 4 categories
- Connects with **15** platforms from integrated governance, city operation & management and other sectors

Digital villages accelerated development

No. of villages servicing net add **38k**

- Provides **>100** applications on agriculture, villages and farmers

Note: Net adds of Smart Communities and Digital Villages servicing are the additions of 2023.6.30 from 2022.12.31

5G Integrates with Multiple Elements to Achieve Rapid Replication and Promotion



5G 2B drives revenue by scale

Cumulative 5G 2B industry commercial projects

20,500

>100
use cases for all industries

Newly contracted projects

≈6,000

>1,000
benchmark projects

1H2022: >3,370

Cumulative 5G application contracted

RMB >21.0Bil

1H2023 contract amount

↑92% yoy

5G drives integrated innovation of applications

Deeply empowers digital application scenes

5G + AI

Industrial production assistance
Real-time monitoring
Motion event capture
...

- Misdetection rate reduced to 0.1%
- >1,000 domain-dependent algorithms
- >50 use cases

5G + Big Data

Smart city perception
Intelligent transportation scheduling
Smart agricultural monitoring
...

- >2.3Mil 5G connections drives the volume of data acquired for accurate results
- Covers >120 scenes of application

5G + edge Cloud

5G MEC
Cloud-based 5G descended network elements
Efficient cloud-network coordination
...

- Focus on proprietary products to fully meet customer demand
- Projects cover 31 provinces

5G + ICT

Smart mine platform Smart park platform Industrial Internet platform
5G connected factory City perception platform...

Example: A 5G connected factory

- **Project value:** A typical model of 5G+ABC+ICT integration, **80% applications were proprietary capabilities**; production efficiency increased by 90%
- **Promotion achievement:** Replicated in **>520** 5G factories of same type

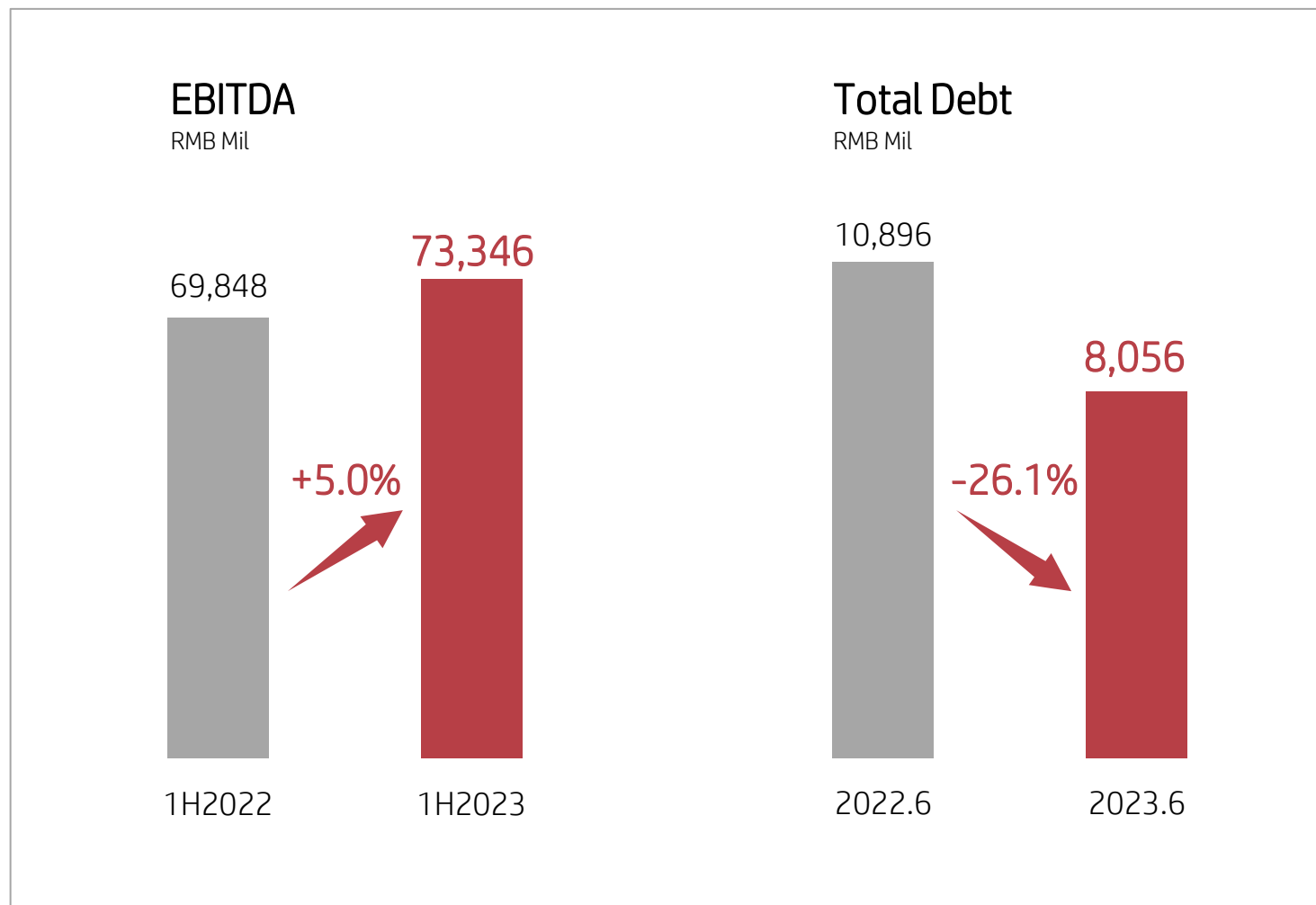


Precision Initiatives to Support High-quality Development



RMB Mil	1H2023	Change	
Operating Expenses	235,156	7.3%	<ul style="list-style-type: none"> Continued to enhance network quality and capabilities, expedited sci-tech innovation, supported rapid development of 5G, Industrial Digitalisation and other businesses Continued to enhance resource efficiency, resulting in slower OPEX growth than revenue growth
Incl.: Depreciation & Amortisation	47,838	2.4%	<ul style="list-style-type: none"> Expanded 5G network co-building and co-sharing and 4G network co-sharing
Network Operations & Support	76,052	8.6%	<ul style="list-style-type: none"> Seized development opportunity of digital economy and appropriately increased initiatives in high growth areas such as Industrial Digitalisation and Smart Family Continued to increase network quality, while stepped up digitalised operation to reduce cost and increase efficiency
Personnel	48,998	9.8%	<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	32,839	2.5%	<ul style="list-style-type: none"> Strengthened precision marketing and enhanced selling expense efficiency Continued to strengthen sci-tech initiatives to enhance core capabilities
Interconnection Charges	6,757	6.4%	<ul style="list-style-type: none"> % to revenue remained stable
Cost of Goods Sold	21,780	17.6%	<ul style="list-style-type: none"> Mobile handset sales volume increased

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

Continue to Promote High-quality Development



- Market- and application-oriented to enhance achievement output and conversion
- Gradually establish localised sci-tech innovation capabilities, strengthen secondary development and market competitiveness
- Accelerate introduction of cutting-edge sci-tech talents and carry out prospective network technology research

Strengthen sci-tech innovation for stronger, better and bigger

Raise operation quality adhering to customer-oriented principle

- Insist on high-quality development to achieve favourable growth in fundamental businesses and rapid growth in Industrial Digitalisation
- Continue to elevate network experience, strengthen digital service capabilities, and enhance customer service level

Key development measures

- Build an intelligent computing power infrastructure integrating cloud and intelligence, training and reasoning; accelerate the evolution and upgrade of network
- Leverage the capability of proprietary new-generation cloud-network operating system to continuously enhance cloud-network operating efficiency

Accelerate digital information infrastructure upgrade

Accelerate development of emerging businesses to build core competitiveness

- Actively deploy strategic emerging industries
- Accelerate development of China Telecom Cloud and computing power, AI, quantum and other businesses to create second growth driver
- Become the leading enterprise in the industry chain and fully leverage the role of supporting and facilitating industries



Overall Most Outstanding
Company in China



Asia's Most Honored
Companies



Asia's Best CSR

Thank You!

For further information & enquiries,
please contact our
Investor Relations Department at

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Appendix 1 — IFRSs



Appendix 1.1: Extracted from Unaudited Condensed Consolidated Statement of Comprehensive Income for the Six-month Period Ended 30 June 2023



RMB Mil	1H2022	1H2023	Change
Operating Revenues	242,319	260,664	7.6%
Service Revenues	221,384	235,977	6.6%
Mobile Communications Service	98,956	101,607	2.7%
Incl.: Handset Internet Access	73,775	74,347	0.8%
Wireline and Smart Family Service	59,871	62,024	3.6%
Incl.: Broadband Access	40,799	43,768	7.3%
Smart Family	8,049	9,315	15.7%
Industrial Digitalisation	58,932	68,802	16.7%
Incl.: IDC	17,852	16,349	(8.4%)
Other Service Revenues	3,625	3,544	(2.2%)
Revenues from Sales of Goods and Others	20,935	24,687	17.9%
Operating Expenses	(219,206)	(235,156)	7.3%
Depreciation & Amortisation	(46,735)	(47,838)	2.4%
Network Operations & Support	(70,051)	(76,052)	8.6%
Incl.: Tower Usage Fee	(5,710)	(6,037)	5.7%
Personnel	(44,618)	(48,998)	9.8%

RMB Mil	1H2022	1H2023	Change
SG&A	(32,026)	(32,839)	2.5%
Incl.: Selling Expense	(25,967)	(26,059)	0.4%
Other Operating Expenses	(25,776)	(29,429)	14.2%
Incl.: Interconnection Charges	(6,348)	(6,757)	6.4%
Cost of Goods Sold	(18,519)	(21,780)	17.6%
Operating Profit	23,113	25,508	10.4%
Net Finance Costs	(30)	(483)	1,531.4%
Investment Income and Others, Share of Profits of Associates and Joint Ventures	842	1,155	37.2%
Profit Before Taxation	23,925	26,180	9.4%
Income Tax	(5,572)	(6,006)	7.8%
Profit for the Period	18,353	20,174	9.9%
Equity Holders of the Company	18,291	20,153	10.2%
Non-controlling Interests	62	21	(66.1%)
	1H2022	1H2023	Change
Free Cash Flow	14,502	17,641	21.6%

Notes:

1. Mobile service revenues in 1H2023 amounted to RMB 109,866Mil, representing an increase of 5.2% year-on-year, wireline service revenues amounted to RMB126,111Mil, representing an increase of 7.9% year-on-year
2. Excluding the impact resulting from the application of IFRS 16, the tower usage fee in 1H2023 was RMB10,234Mil
3. Free Cash Flow = EBITDA – CAPEX – Income Tax Expenses – Depreciation Charge for Right-of-Use Assets Other than Land-Use-Rights (1H2023: RMB8,080Mil)

Appendix 1.2: Extracted from Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2023



RMB Mil	2022.12.31	2023.6.30
Current Assets	141,072	180,511
Non-current Assets	666,626	659,875
Total Assets	807,698	840,386
Current Liabilities	281,737	305,583
Non-current Liabilities	89,534	84,876
Total Liabilities	371,271	390,459
Total Equity	436,427	449,927
Equity Attributable to Equity Holders of the Company	432,089	445,568
Non-controlling Interests	4,338	4,359

Appendix 2 — CASs



Appendix 2.1: Extracted from Unaudited Consolidated Income Statement for the Six-month Period Ended 30 June 2023



RMB Mil	1H2022	1H2023	Change
Operating Revenues	240,219	258,679	7.7%
Operating Costs	165,716	179,122	8.1%
Taxes and Surcharges	785	847	7.9%
Selling Expenses	27,902	27,933	0.1%
General and Administrative Expenses	17,096	17,967	5.1%
Research and Development Expenses	3,254	4,140	27.2%
Finance Expenses	30	483	1,531.4%
Asset and Credit Impairment Losses	(2,235)	(2,689)	20.3%
Investment Income	839	1,129	34.6%
Gains on Disposal of Assets, Other Income and Losses from Changes in Fair Value	1,984	567	(71.4%)
Operating Profit	26,024	27,194	4.5%
Net Non-operating Income and Expenses	(2,099)	(1,014)	(51.7%)
Profit before Taxation	23,925	26,180	9.4%
Income Tax Expenses	5,572	6,006	7.8%
Net Profit	18,353	20,174	9.9%
Equity Holders of the Company	18,291	20,153	10.2%
Minority Interests	62	21	(66.1%)
Net Profit Attributable to Equity Holders of the Company excluding Extraordinary Gains and Losses	18,376	20,446	11.3%

Appendix 2.2: Extracted from Unaudited Consolidated Balance Sheet as at 30 June 2023



RMB Mil	2022.12.31	2023.6.30
Current Assets	141,072	180,511
Non-current Assets	666,626	659,875
Total Assets	807,698	840,386
Current Liabilities	277,874	303,329
Non-current Liabilities	93,397	87,130
Total Liabilities	371,271	390,459
Total Shareholders' Equity	436,427	449,927
Equity Attributable to Equity Holders of the Company	432,089	445,568
Minority Interests	4,338	4,359

Appendix 3 — Operating Figures and CAPEX Structure



Appendix 3.1: Operating Figures



Selected Operating Metrics for the Period Ended 30 June 2023

	2022.12	2023.6	Change
Subscriber (Mil)	2022.12	2023.6	Change
Mobile	391.18	401.91	10.73
Incl.: 5G package	267.96	294.86	26.90
Wireline Broadband	180.90	186.26	5.36
Access Lines in Service	104.95	103.18	(1.77)
e-Surfing HD	125.71	127.42	1.71
IoT Connected Devices	406.64	472.82	66.18
	1H2022	1H2023	Change
Mobile ARPU (RMB)	46.0	46.2	0.4%
5G ARPU (RMB)	52.7	48.7	(7.6%)
Handset Data Traffic (kTB)	28,328	33,499	18.3%
Wireline Broadband ARPU (RMB)	39.4	39.7	0.8%
Wireline Broadband Blended ARPU (RMB)	47.2	48.2	2.1%

Appendix 3.2: CAPEX Structure



RMB Mil	1H2022	1H2023
Industrial Digitalisation	10,122	11,815
Mobile Network	17,918	17,633
Broadband Network	8,554	7,035
Operating Systems and Infrastructure	5,061	5,137
Total	41,655	41,620