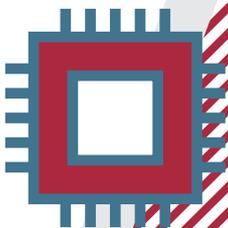
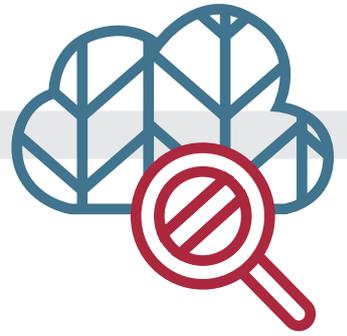




China Telecom Corporation Limited
HKEx Stock Code: 728

A NEW MILESTONE

Interim Report 2022



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IMPORTANT NOTICE

1. The unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2022 of the Company is prepared in accordance with the International Accounting Standard 34. The condensed consolidated interim financial information in this report is unaudited.
2. The profit distribution proposal or proposal for conversion of capital reserve into share capital for the Reporting Period approved by the Board
3. Risk Statement of Forward-Looking Statements

Forward-looking statements, such as development strategies, future business plans and prospects, contained in the 2022 interim report of the Company do not constitute a commitment of the Company to investors. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may cause the Company's actual performance, financial condition or results of operations to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, the Company will not update these forward-looking statements. Investors should be aware of the investment risks.

After fully considering the returns to shareholders, the Company's profitability, cash flow level and capital needs for future development, the 19th meeting of the seventh session of the Board of the Company decided to distribute the interim dividend for 2022 to all shareholders based on 60% of the profit attributable to equity holders of the Company in the amount of RMB18.29 billion. Based on the total share capital registered on the record date for the dividend distribution, and based on the Company's total share capital of 91,507,138,699 shares as at 30 June 2022, a dividend of RMB0.120 per share (pre-tax) was declared and will be paid to all shareholders. In case of any change in the total number of issued share capital of the Company before the record date for the implementation of the dividend distribution, the total distribution amount will remain unchanged, and the distribution amount per share will be adjusted accordingly with specific adjustments to be announced separately.

4. Significant Risk Warning

The Company has described in detail the economic and policy environment adaptation risks, business operation risks, network and information security risks and international operation risks in this report. Please refer to the "Management's Discussion and Analysis" in this report.

The Board has been authorised by the shareholders' meeting to decide on the proposal of interim dividend for 2022 and the resolution for the proposed interim dividend was passed at the 19th meeting of the seventh session of the Board of the Company on 16 August 2022.

SECTION I DEFINITIONS

In this report, unless the context otherwise requires, the following terms and expressions have the following meanings:

5G	5th generation mobile communication technology
5G Messaging	A new upgrade to the existing standard SMS messaging service. For individual users, 5G messaging can effectively integrate text, pictures, audio, video, geo-location and other information in terms of content; for enterprises, 5G messaging provides a multimedia information interaction interface with individual users
5G New Calls	A new calling service which is based on 5G VoNR ultra-definition audio and video calls, combined with the audio and video AI processing capabilities carried by the cloud and the real-time interaction capabilities of multiple types of data brought by the IMS Data Channel, for realising the intelligence, interactiveness and accessibility of functions such as transliteration and real-time interactive operations during calls
A Share(s)	Shares of the Company issued in mainland China, listed on domestic stock exchanges and subscribed and traded in RMB
ADSs	Securities issued by the depository bank and traded on the New York Stock Exchange. Each ADS of the Company represents 100 H Shares of the Company
AR	Augmented Reality
ARPU	Monthly average revenue per user
Artificial Intelligence/AI	Technology science that researches and develops theories, methodologies, technologies and application systems for simulating, extending and expanding human intelligence



Big Data	Massive, real-time and diversified data information that can be recorded, collected, developed and utilised, and big data-based mining and processing technology
Board/Board of Directors	The board of directors of the Company
China Telecom Digital Intelligence Technology	China Telecom Digital Intelligence Technology Co., Ltd, formerly known as China Telecom System Integration Co., Limited
China Telecom Finance	China Telecom Group Finance Co., Ltd. (中國電信集團財務有限公司)
China Telecom Global	China Telecom Global Limited
China Telecommunications	China Telecommunications Corporation (中國電信集團有限公司), formerly known as China Telecommunications Corporation (中國電信集團公司), the controlling shareholder of the Company
China Telecom/the Company	China Telecom Corporation Limited (中國電信股份有限公司), a joint stock limited company incorporated in the People's Republic of China with limited liability, or where the context so requires, refers to China Telecom Corporation Limited and its subsidiaries
China Tower	China Tower Corporation Limited (中國鐵塔股份有限公司), formerly known as China Communications Facilities Services Corporation Limited (中國通信設施服務股份有限公司)
Chinese Accounting Standard/CAS	The Basic Standard of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and the specific accounting standards, application guidelines, interpretations and other relevant regulations subsequently revised
Cloud Computing	An Internet technology that provides flexible and on-demand services to external users through the Internet with pooled cluster computing capabilities
Computing Power Network	According to the national approval document on the construction plan of eight hub nodes of the national integrated Big Data center, its meaning includes datacentre infrastructure, computing power, network, cloud, and the green and safe attributes among these features



East-to-West Computing Resource Transfer	The national project orderly directing computing power demand in Eastern part of PRC to Western part of PRC by building a new computing power network system consisting of datacentre, Cloud Computing and Big Data, with an aim to optimise the construction layout of datacentres and facilitate east-west coordination
EFLOPS	FLOPS, Floating-Point Operations Per Second, which is commonly used to estimate computer performance; “E” stands for “Exa” and means 10^{18} ; therefore EFLOPS implies 10^{18} times of floating-point operations per second
Fujian Investment Group	Fujian Investment & Development Group Co., Ltd. (福建省投資開發集團有限責任公司)
The Group	The Company and its subsidiaries
Guangdong Rising	Guangdong Rising Holdings Group Co., Ltd., (廣東省廣晟控股集團有限公司), formerly known as Guangdong Rising Assets Management Co., Ltd. (廣東省廣晟資產經營有限公司)
H Share(s)	Shares of the Company that are issued outside mainland China, listed on the Stock Exchange and subscribed and traded in Hong Kong dollars
IDC	Internet Datacentre
IFRSs/International Financial Reporting Standards	The International Financial Reporting Standards, amendments and interpretations issued from time to time by the International Accounting Standards Board



Internet of Things/IoT	Various sensory devices that are based on computer and communication technology, using cellular mobile network, wired network, wireless network, etc. to complete the transmission, coordination and processing of information, so as to realise the network of communication between objects and things, and communication between objects and people
Jiangsu Guoxin	Jiangsu Guoxin Group Limited (江蘇省國信集團有限公司), formerly known as Jiangsu Guoxin Investment Group Co., Ltd. (江蘇省國信資產管理集團有限公司)
Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
MIIT	Ministry of Industry and Information Technology
Quantum-encrypted Calls	The communication technology that is closely integrated with quantum information technology to achieve end-to-end voice calls and other encryption protection, and provide users with stable and reliable quantum protection secure communication services
RDO	Research, Development, Operation
Reporting Period	Period from 1 January 2022 to 30 June 2022
SaaS	Software-as-a-Service, which means providing software services over the network
SSE	Shanghai Stock Exchange
Stock Exchange/Hong Kong Stock Exchange/HKSE	The Stock Exchange of Hong Kong Limited

SECTION I DEFINITIONS



The Offering/A Share Offering	The public offering of RMB ordinary shares (A Shares) by the Company
VR	Virtual Reality
Zhejiang Financial Development	Zhejiang Provincial Financial Development Co., Ltd. (浙江省財務開發有限責任公司), formerly known as Zhejiang Financial Development Company (浙江省財務開發公司)



SECTION II COMPANY PROFILE

1. CORPORATE INFORMATION

Company name in Chinese	中國電信股份有限公司
Short name in Chinese	中國電信
Company name in English	China Telecom Corporation Limited
Short name in English	China Telecom
Legal representative of the Company	Ke Ruiwen

2. CONTACT PERSONS AND CONTACT INFORMATION

	Secretary of the Board	Securities Affairs Representative	Company Secretary
Name	Ke Ruiwen (Acting)	Xu Fei	Wong Yuk Har
Address	31 Jinrong Street, Xicheng District, Beijing, China	31 Jinrong Street, Xicheng District, Beijing, China	28th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong
Telephone	8610-58501800	8610-58501508	852-28779777
Fax	8610-58501531	8610-58501531	852-28770988
E-mail	ir@chinatelecom-h.com	ir@chinatelecom-h.com	ir@chinatelecom-h.com

3. GENERAL INFORMATION

Registered address and office address of the Company	31 Jinrong Street, Xicheng District, Beijing, China
Postal code of the office address of the Company	100033
Principal place of business in Hong Kong	28th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong
Company website	www.chinatelecom-h.com
E-mail	ir@chinatelecom-h.com

4. STOCK INFORMATION

Class of shares	Stock exchange for listing	Stock Short Name	Stock Code
A Shares	Shanghai Stock Exchange	China Telecom	601728
H Shares	Hong Kong Stock Exchange	China Telecom	00728

5. OTHER RELEVANT INFORMATION

Accountant engaged by the Company (mainland China)	Name	PricewaterhouseCoopers Zhong Tian LLP
	Office Address	11/F, PricewaterhouseCoopers Center, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai
Accountant engaged by the Company (overseas)	Name	PricewaterhouseCoopers
	Office Address	22/F, Prince's Building, Central, Hong Kong
Sponsor performing ongoing supervision duties during the Reporting Period	Name	China International Capital Corporation Limited
	Office Address	27th and 28th Floor, China World Office 2, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing
	Names of signing sponsor representatives	Xu Shiyan, Long Liang
	Period of ongoing supervision	20 August 2021 to 31 December 2023
Sponsor performing ongoing supervision duties during the Reporting Period	Name	CSC Financial Co., Ltd.
	Office Address	Building 4, No. 66 Anli Road, Chaoyang District, Beijing
	Names of signing sponsor representatives	Wang Chenning, Dong Junfeng
	Period of ongoing supervision	20 August 2021 to 31 December 2023



1. DESCRIPTION OF THE COMPANY'S INDUSTRY AND MAIN BUSINESS DURING THE REPORTING PERIOD

According to the performance of the communications industry economy in the first half of 2022 released by MIIT, in the first half of the year, the overall operation of the communications industry in China was stable and positive and the revenue from telecommunications services increased steadily to a total of RMB815.8 billion, representing a year-on-year increase of 8.3%. The number of subscribers continued increasing. As of the end of June, the total number of wireline Internet broadband access subscribers of the three fundamental telecommunications enterprises reached 563 million and the total number of mobile phone subscribers reached 1.67 billion. The mobile Internet traffic grew rapidly, with cumulative traffic reaching 124.1 billion GB, representing a year-on-year increase of 20.2%. The revenue from emerging businesses increased significantly, the revenue from emerging businesses such as IPTV, Internet datacentre, big data, cloud computing and IoT of the three fundamental telecommunications enterprises amounted to RMB162.4 billion, representing a year-on-year increase of 36.3%.

In the first half of the year, adhering to the new development principles, the Company proactively seized the strategic opportunities brought by the new round of technological revolution and industrial transformation, coordinated COVID-19 Epidemic ("Epidemic") prevention and control with corporate operation and development, and fully implemented its "Cloudification and Digital Transformation" strategy. The Company intensified sci-tech innovations, deepened the cloud-network integration and accelerated its development as a service-oriented, technology-oriented and secured enterprise, maintaining rapid growth in its operating results. In terms of individual informatisation services, the Company continued to strengthen the integrated operation of 5G, enhanced 5G coverage and network experience, enriched 5G featured applications and privilege portfolio, resulting in further enhancement of the scale and value of mobile subscribers. In terms of household informatisation services, we have further developed digital life products and services, accelerated the development of the Gigabit broadband, and promoted the integration and mutual promotion as well as connected development among Smart Family, Smart Community and Digital Village. In terms of government and enterprise informatisation services, the Company accelerated the expansion of Industrial Digitalisation, fully leveraged resources in whole process and whole network as well as



the edges in clientele accumulation and service localisation, so as to proactively empower the transformation and upgrades of traditional industries and support “the cloud migration, the use of data and intelligence injection” of thousands of industries. In the first half of the year, the operating revenues of the Company amounted to RMB242.3 billion, representing an increase of 10.5% year-on-year. Of which, service revenues amounted to RMB221.4 billion, representing an increase of 8.8% year-on-year, remaining above the industry’s average growth rate. As at the end of June, the total number of mobile subscribers reached 384 million, with a net addition of 11.79 million. Mobile ARPU amounted to RMB46.0, maintaining its growth momentum. The total number of wireline broadband subscribers reached 175 million, representing a net addition of 5.73 million. Broadband blended ARPU reached RMB47.2 and the value contribution from Smart Family services continued to increase. Revenue for Industrial Digitalisation amounted to RMB58.9 billion, representing a year-on-year growth of 19.0% on a comparable basis¹.

For detailed business analysis of the Company, please refer to “3. Discussion and Analysis of Operations” under “Section III Management’s Discussion and Analysis” of this report.

2. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

During the Reporting Period, China Telecom proactively fulfilled its mission and responsibility of building Cyberpower and Digital China as well as safeguarding network and information security, fully implemented the strategy of “Cloudification and Digital Transformation” and accelerated the construction of digital information infrastructure to continuously contribute to the opening up of the information “artery” for economic and social development.

INDUSTRY-LEADING CLOUD-NETWORK SERVICE CAPABILITIES

The Company gave full play to the fundamental edges of its network, grasped the development trend of cloud and took the lead in the industry to put forward the idea of cloud-network integration which has evolved to the new stage of cloud-network integration 3.0 after years of implementation. The Company strengthened sci-tech innovation in particular and promoted the integration and innovation of various elements such as DC, network, computing power, cloud, Big Data/AI, security and greenness. The Company has completed the construction of the world’s largest 5G SA co-built and co-shared network and the largest Gigabit fibre network, and is the only satellite mobile communications operator in China. The Company accelerated the development of cloud

¹ Revenue for Industrial Digitalisation in the first half of 2021 has excluded the Internet Finance revenue before the disposal of E-surfing Pay Co., Ltd (which was disposed of in April 2021).



computing and built an independent, controllable, secured and reliable cloud platform. The Company has mastered more than 50 core technologies, such as elastic computing and distributed database, with e-Surfing Cloud securing a solid position in the front rank in terms of market share within the industry while maintaining its leading position in the government and enterprise public cloud market. The Company established a “2+4+31+X+O” resource layout, built datacentre parks in 2 regions of Inner Mongolia and Guizhou, and deployed a large number of datacentres in 4 regions, including Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macau as well as Sichuan-Shaanxi-Chongqing, which is highly consistent with hubs and nodes of the national “East-to-West Computing Resources Transfer” project. Adhering to the customer-oriented principle, the Company launched six “Good Service as You Wish” service initiatives to resolve the most pressing difficulties and problems that are of great concern to customers, with an aim to meet the people’s ever-growing needs for a better digital life and support the digital transformation and upgrades of enterprises.

SIGNIFICANT ENHANCEMENT OF SCI-TECH INNOVATION CAPABILITY

The Company continued to increase its efforts in sci-tech innovation and set a clear goal to become a sci-tech company. The special plan for sci-tech innovation for the 14th Five-Year Plan has been formulated and implemented. The Company fully completed deployment of sci-tech innovation and research and development (R&D) system of RDO and facilitated the penetration of key core technologies such as network, AI, security and quantum into fundamental research of applications, technological R&D of applications and operation-based development. By pushing forward the independence and self-control of core technologies, the Company achieved significant results in the innovation of technologies such as e-Surfing Cloud

4.0, 5G edge network, the new generation cloud-network operating system, AI, and Quantum-encrypted Calls. The Company also expedited the conversion of sci-tech achievements and increased the level of patents with equal emphasis on quantity and quality, further enhancing the Company’s sci-tech influence.

CONTINUOUS REINFORCEMENT OF NETWORK AND INFORMATION SECURITY CAPABILITY

The Company has always regarded network security as the cornerstone of digital information infrastructure. We have built a security capabilities pool comprising of cloud, network, edge and terminals which covers 31 provinces, continued to enhance cloud network security protection capabilities and gradually achieved on-demand selection and flexible deployment of security capabilities. We coordinated and planned the cloud-network end-to-end security capability system with data integration, capability aggregation, unified structure and open ecology, and gradually realised the centralised security data, intelligent security analysis, scheduled security operation as well as security services as capabilities. The Company continued to expand security products and services, proactively promoted a series of products and services such as e-Surfing Security Brain, Quantum-encrypted Calls and Internet Fraud Prevention, and built the “Cloud Dam” platform, the only platform with full network coverage and global reach in China, to provide industry-leading customised security services for industry customers. The Company strengthened the independence and controllability of security for key information infrastructure, conducted proprietary R&D in key core capabilities, such as cloud-network security capability management platform and 5G automatic scheduling system, and unified security technical standards to ensure data security and compliance.



Ke Ruiwen
Chairman and Chief Executive Officer

3. DISCUSSION AND ANALYSIS OF OPERATIONS

In the first half of 2022, the digital economy has become a stabiliser and an important engine for the national economic development, as the scale commercialisation of the new-generation digital technologies accelerated while the integration and innovation of multiple technologies further drove industrial transformation. Adhering to the new development principles, the Company seized strategic opportunities brought about by the new round of technological revolution and industrial transformation, responded to the challenges brought about by the

Epidemic in the country, coordinated Epidemic prevention and control with corporate operation and development, and fully implemented its “Cloudification and Digital Transformation” strategy. The Company intensified sci-tech innovations, deepened the cloud-network integration and continued deepening its system and mechanism reforms. The Company proactively expanded the new open ecosystem of win-win cooperation and accelerated its development as a service-oriented, technology-oriented and secured enterprise. The Company maintained rapid growth in its operating results and continued to share its high-quality development achievements with its shareholders, customers and the society.



1. OVERALL RESULTS

In the first half of 2022, operating revenues of the Company amounted to RMB242.3 billion, representing an increase of 10.5% year-on-year. Of which, service revenues² amounted to RMB221.4 billion, representing an increase of 8.8% year-on-year, remaining above the industry's average growth rate³. EBITDA⁴ amounted to RMB69.8 billion, representing an increase of 5.3% over the same period last year. The net profit⁵ was RMB18.3 billion, representing an increase of 3.1% over the same period last year. Excluding the one-off after-tax gain⁶ from the disposals of its subsidiaries last year, the year-on-year growth rate was 12.0%. The basic earnings per share were RMB0.20. Capital expenditure was RMB41.7 billion and free cash flow⁷ reached RMB14.5 billion.

The Company attaches great importance to shareholder returns and strives to enhance its profitability and cash flow generation capability while effectively controlling capital expenditure. The Board of Directors has resolved to declare an interim dividend for the first time in 2022, and the profit distributed in cash will be 60% of the profit attributable to equity holders of the Company in the first half of 2022, i.e., RMB0.120 per share. This successfully fulfilled the commitment to introduce interim dividends made by the Company during A-Share offering. The Board of Directors will take into full consideration the Company's profitability, alongside cash flow levels and capital needs for its future development, and will make recommendations at the shareholders' meeting after comprehensively reviewing the annual dividend distribution proposal for 2022, furthering its efforts to create more value for shareholders.

² Service revenues are calculated based on operating revenues minus sales of mobile terminals, sales of wireline equipment and other non-service revenues. Of which, mobile service revenues amounted to RMB104.5 billion, representing an increase of 6.7% year-on-year; wireline service revenues amounted to RMB116.9 billion, representing an increase of 10.7% year-on-year.

³ According to the performance of the communications industry economy in the first half of 2022 released by MIIT.

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

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

⁶ The one-off after-tax gain from the disposals of E-surfing Pay Co., Ltd and China Telecom Leasing Corporation Limited was approximately RMB1,416 million.

⁷ Free cash flow is calculated based on EBITDA minus capital expenditure, income tax and depreciation charge for right-of-use assets other than land-use-rights.



2. FULLY IMPLEMENTING “CLOUDIFICATION AND DIGITAL TRANSFORMATION” STRATEGY AND ELEVATING HIGH-QUALITY DEVELOPMENT TO A NEW LEVEL

In the first half of the year, the Company accelerated the construction of digital information infrastructure, further boosted its cloud-network operating capabilities and continued to strengthen its sci-tech innovation. As a result, the Company made breakthroughs in becoming the source of original technologies and also in problem-tackling efforts in core technologies. The Company further unleashed its corporate vitality through deepened system and mechanism reforms, expanded the industrial and capital ecosystems featuring strong alliances and open cooperation and effectively elevated its high-quality development to a new level.

2.1 Continued strengthening of informatisation services as a courageous pioneer in empowering the digital economy

Adhering to the customer-oriented approach, the Company strengthened the supply of integrated intelligent information products and services, accelerated the innovative expansion of fundamental businesses and Industrial Digitalisation, built a better life and empowered the digital transformation of numerous walks of life. The service quality of the Company maintained at the industry-leading position.

Insisting on 5G's leading role and the innovation of 5G applications, achieving steady enhancement of mobile subscriber scale and value

The Company further enhanced 5G network coverage, promoted network access and usage for 5G subscribers with precision and optimised the experience of applications such as cloud VR/AR, cloud games, ultra HD and etc. The Company created innovative applications such as 5G Messaging, 5G New Calls, Quantum-encrypted Calls and etc., with an aim to further expand products and services under 5G scenes and promote the upgrade of individual's digital consumption demands as well as drive the continuous enhancement of subscriber scale and value. In the first half of the year, the Company's mobile communications service revenues amounted to RMB99.0 billion, representing an increase of 6.0% over the same period last year, maintaining healthy growth. The total number of mobile subscribers reached 384 million, with a net addition of 11.79 million, achieving steady growth of subscriber market share. The number of 5G package subscribers reached 232 million with a penetration rate of 60.3%, remaining at an industry-leading level. Mobile ARPU⁸ amounted to RMB46.0, maintaining its growth momentum.

⁸ Mobile ARPU = monthly average revenues from mobile services / the average number of mobile subscribers.

**Accelerating upgrade to Gigabit broadband and enriching applications of digital life, resulting in steady growth of family services**

Focusing on customers' demands for digital life upgrades, the Company further promoted the speed upgrade of broadband subscribers and accelerated the expansion of Gigabit products at scale. The Company built a platform for digital life applications with wider connectivity, broader reach and higher level of intelligence, promoted the migration of applications from interconnection between single products to inter-convergency across ecosystems. Leveraging ultra HD, multi-camera, multi-angle and VR/AR to create new experience of contents, the Company further promoted the integration and mutual promotion as well as connected development among Smart Family, Smart Community and Digital Village, while continuously enriching the content of digital life and promoting steady growth in volume and revenue of family services. In the first half of the year, Wireline and Smart Family service revenues of the Company amounted to RMB59.9 billion, representing an increase of 4.4% year-on-year. Of which, broadband access revenue reached RMB40.8 billion, representing an increase of 7.1% year-on-year. The total number of wireline broadband subscribers reached 175 million, of which the number of Gigabit broadband subscribers reached 20.68 million, with its penetration rate increasing to 11.8%, achieving an industry-leading level. The value contribution from Smart Family services continued to increase. Broadband blended ARPU⁹ reached RMB47.2, maintaining healthy growth.

Industrial Digitalisation continued to thrive amidst the undertaking of the vital mission of co-developing National Cloud

The Company proactively seized the current opportunities brought by the demands from various industries in the economy and society for network-based, digitalised, and smart integrated information services. Leveraging resources in whole process and whole network as well as the edges in clientele accumulation, service localisation and etc., while also leveraging its abundant use cases and massive data, the Company focused on the dual driving engines of its projects and products, created edges from differentiation and convergence and proactively empowered the transformation and upgrades of traditional industries to support the "the cloud migration, the use of data and intelligence injection" for numerous walks of life. In the first half of the year, revenue from Industrial Digitalisation reached RMB58.9 billion, representing a year-on-year growth of 19.0% on a comparable basis¹⁰.

⁹ Broadband blended ARPU = monthly average revenues from broadband access, e-Surfing HD and Smart Family applications and services / the average number of broadband subscribers.

¹⁰ Revenue for Industrial Digitalisation in the first half of 2021 has excluded the Internet Finance revenue before the disposal of E-surfing Pay Co., Ltd.



Adhering to the cooperation philosophy of “Broadest Scope, Best Service, Best Value, Farthest Growth”, the Company conducted ecological cooperation to further promote the vigorous development of cloud technologies and industry to form a new digital foundation featuring cloud-network integration for the development of the digital economy. Insisting on the leading role of sci-tech innovation, the Company’s efforts in tackling core cloud computing technologies constantly achieved new results, equipping itself with full stack cloud capabilities that are independent and controllable, secure and reliable, open to cooperation and industry-leading. The Company has become the source of original technologies for cloud computing. Focusing on cloud migration needs of different customer groups, the Company provides public, private and hybrid cloud services that are polymorphic, high-performance, inclusive and convenient for government, enterprises and the general public. The Company achieved remarkable results in market expansion and continued to lead in the government administration public cloud market. In the first half of the year, revenue from e-Surfing Cloud reached RMB28.1 billion with the year-on-year growth rate reaching 100.8%. In line with the demands from the “East-to-West Computing Resource Transfer” project, the Company accelerated the building of new hub capabilities. In the first half of the year, the development of IDC further enhanced with its revenue amounting to RMB17.9 billion, representing an increase of 11.1% year-on-year. As the fifth fundamental network of the Company, e-Surfing Internet of Video Things pushed forward the construction of digital cloud-network ecology of videos. The aggregate number of connected devices reached 30 million, with rapid launch of diversified use cases such as “Kitchen Monitoring” etc.

The development of the Company’s 5G 2B services maintained good momentum. The three customised network modes, namely “Wide-area”, “Adjacent”, and “Wingspan”, fully exerted the features of 5G including massive connectivity, high speed, low latency and data security. Focusing on the demands such as flexible production, HD video backhaul transmission and remote control of equipment, the Company created 5G industry use cases such as 5G+industrial vision, 5G+remote equipment control, and 5G+smart factory logistics to effectively empower the digital and intelligent transformation and upgrades of industries such as Industrial Internet, Internet of Vehicles (IoV), and smart healthcare. Fully leveraging the industry-leading benchmarking effects, the Company accelerated the expansion and replication of its projects. In the first half of the year, the number of the newly contracted customised network projects exceeded 1,300, with revenue from the newly contracted projects increasing by more than 80% year-on-year. The cumulative number of 5G industry commercial projects reached approximately 9,000.

**Further optimised customer experience with user satisfaction rate maintaining the industry-leading position**

The Company organised and carried out activities such as upgrading service satisfaction and launched six "Good Service as You Wish" service initiatives. The Company also sped up the innovation of digitalised service mode and enhanced digital and intelligent service capabilities. The Company took the lead to build "Caring Stations", a channel for intelligent and universal services, while also promoted elderly-oriented and barrier-free renovation for various touchpoints to effectively enhance customer experience and the level of service quality. The Company's telecommunications user satisfaction rate ranked No.1 within the industry while its telecommunications user complaint rate ranked the lowest within the industry¹¹.

2.2 Promoting the construction of new digital infrastructure based on the new stage of cloud-network integration 3.0

The Company strengthened the coordinated deployment of multiple digital elements, including cloud, network, data, intelligence, security, DC, computing power and greenness, among others, while stepping up the application of original technologies. The Company also promoted the evolution towards cloud-network integration 3.0, strengthened sci-tech endowment and accelerated the construction of intelligent integrated digital information infrastructure that is high-speed and ubiquitous, aerial-ground in one, cloud-network integrated, intelligent and agile, green and low-carbon, as well as secure and controllable.

In line with the national layout of integrated Big Data centres, the Company continued to optimise the "2+4+31+X+O" computing power layout in accordance with the regional economic development and natural resources conditions. Through the establishment of a layer-based computing power service system coordinating cloud, edge and terminals, the Company created an integrated and innovative computing power infrastructure. The Company carried out network reconstitution around computing power centres and promoted the change of traffic flow from the dominant "north-south" direction to "north-south + east-west" directions. The Company also continued optimising its three-dimensional, wide-coverage, and high-performance network deployment with holistic coverage of land, sea, air and space. The Company pushed forward integrated and intelligent channelling of cloud-network and realised cloud-led network resource allocation and cloud-led network channelling. The Company currently owns more than 700 IDC sites and the number of IDC cabinets amounted to 487,000 with a utilisation rate of 72%. The Company has the greatest number and the most extensive distribution of IDC resources in China. In the first half of the year, the number of newly built e-Surfing Cloud servers reached 81,000, with the scale of computing power reaching 3.1EFLOPS while "One-City-One-Pool of Cloud Resources" cumulatively covered more than 160 cities.

¹¹ Source of telecommunications user satisfaction rate and telecommunications user complaint rate: MIIT.



The Company proactively pushed forward a new model for cloud-network construction and operation to reduce duplicated resources input, and achieved further cost reduction and efficiency enhancement, while at the same time striving to build a green cloud-network with high efficiency and lower energy consumption. The Company continued deepening the co-building and co-sharing of networks with China Unicom on all fronts. In the first half of the year, the number of co-built and co-shared 5G base stations increased by 180,000, with the number of 5G base stations in use reaching 870,000. The number of co-shared 4G base stations increased by 210,000, with accelerated promotion of “one single 4G network”. The cumulative investment savings for both parties amounted to RMB240 billion. The Company established a systematic green and low-carbon development model, which incorporates green development into all processes and fields of production and operation, comprehensively transforming from “dual control of energy consumption and intensity” to “dual control of carbon emission and intensity.”

The Company has always placed network security as the cornerstone of the digital information infrastructure. Capitalising on the resource endowment of its cloud-network and data, the Company continued enhancing its network security operating capabilities. The Company also developed a security capabilities pool covering cloud, network, edge and terminals, conducted integrated and coordinated monitoring and control over a series of security risks in the process of data storage, information transmission and cloud computing. The Company also realised the on-demand selection and flexible deployment of its security capabilities through the integration and innovation of multiple technologies such as cloud-network security and data security. Adhering to independent development, the Company offered various mainstream security products and services such as Cloud Dam and Quantum Metropolitan Network, providing customers with end-to-end integrated security protection services.



2.3 Promoting self-reliance and self-improvement of sci-tech innovation, accelerating the development as a sci-tech company

The Company took the promotion of sci-tech innovation as the strategic guide for its high-quality development. The Company constantly scaled up sci-tech innovation, boosted its sci-tech capabilities, and made solid strides towards becoming a sci-tech company. The Company was awarded the title of “Enterprises with Outstanding Contribution to Sci-tech Innovation” by State-owned Assets Supervision and Administration Commission of the State Council (SASAC). The Company promoted the independence and self-control of core technologies, strengthened its leadership in forefront technologies of cloud computing and the innovation of original technologies, as well as completed and released the commercial version of CloudOS4.0. The Company made major breakthroughs in proprietary development of customised servers and databases. The Company’s proprietary Quantum-encrypted Calls product was launched nationwide, alongside the roll-out of its first proprietary smart cloud camera. The

Company also accelerated the conversion of its sci-tech achievements, with the number of proprietary achievements reaching 74 and its capabilities in proprietary development significantly strengthening. In the first half of the year, the percentage of proprietary IT systems and service platforms increased by 8.9 percentage points over the same period last year. The number of new patents was 1,128, representing an increase of 145% year-on-year. Cooperation and innovation among industry, academia, research and development (R&D) institutes and customers entered a substantive stage with more than 40 cooperation projects being initiated in the fields of fundamental research and application research with leading universities and scientific research institutes.



2.4 Unleashing innovation and development potential through deepened system and mechanism reforms on all fronts

In line with customer's demands for digitalisation, the Company promoted corporate reform centred around cloud. The Company accelerated the implementation of reform measures in key areas and core processes such as sales and operation, further optimised the market-oriented operating mechanism, boosted core corporate capabilities and effectively stimulated corporate vitality. The Company continued to deepen government and enterprise reform, constantly strengthened the mechanisms establishment for industrial research institutes, and accelerated the R&D and promotion of digitalised platforms. The Company also deepened direct sales for leading customers, enhanced the delivery level of local integration, while further strengthening its professional information service capabilities for government and enterprise customers. The Company accelerated its substantive operations of the cloud core platform, continued to enrich key talents in ABCI and related specialities, and

enhanced its capabilities for Industrial Digitalisation development with e-Surfing Cloud as the foundation. The Company further deepened professional company reforms, pursued the corporate operation of Big Data and AI centres, continuously enhanced its R&D and operating capabilities in Big Data and AI, with its Cloud company, Security company, IoT company being successfully shortlisted in the latest batch of "Sci-tech Reform Demonstration Enterprises", creating a new model for sci-tech company reforms and proprietary innovations. Meanwhile, the Company established professional companies in areas such as medical and healthcare and digital villages, introducing market-oriented operating mechanism while enhancing the capabilities of professional operation. The Company intensified its efforts to implement "three system reforms", fully implemented the tenure system and contractual management of management team at various levels of companies, having employees compete for key positions, reinforcing the standpoint that staff can be hired or let go and compensation can be raised or reduced, so as to fully stimulate its employees' vitality.



2.5 Expanding open and pragmatic ecological cooperation to build new prospects of win-win cooperation

The Company promoted and attained mutual growth with multiple users, scenes, services and ecosystems, built the open value ecosystem featuring co-creation, co-sharing and win-win. The Company strove to build its capability ecosystem, accelerate its joint innovation in technical capabilities, and promote innovative R&D in the area of 5G technologies through the 5G Innovation Alliance, Joint Innovation Centre and Open Lab. The Company greatly expanded its service ecosystem by promoting in-depth cooperation with application developers, as well as with upstream and downstream participants of the terminal industrial chain. The Company enriched its industry solutions, pushed forward the integration of use cases and jointly built service domains for digital life and smart cities. The Company also accelerated the building of its platform ecosystem, consolidated internal and external capabilities and scenes, optimised its platform management and operating rules and continued to optimise the construction and operation for platforms of cloud ecological cooperation management, fundamental capabilities and etc.

2.6 Accelerating digital transformation and fully promoting corporate enhancement of quality and efficiency

The Company strengthened digital operation by focusing on the front- and back-end resources as well as areas such as investment, R&D and integrated control, and leveraged digital and intelligent tools such as Big Data and AI to drive management, so as to promote the all-round enhancement of quality and efficiency at both front and back end. The Company realised 100% cloud migration of its IT system, created an IT cloud migration case that can accommodate 1 billion users, launched the cloud migration plan for service platforms of the whole network, and promoted the transformation and development of traditional services to be SaaS-based. The Company promoted precision management through digital means and enhanced the efficiency of channel and personnel resources input. The Company introduced AI intelligent customer service, with the percentage of service provided by AI reaching 70%, resulting in significant reduction in manual customer service volume and optimised customer experience. The Company also strengthened the refined management and control of electricity costs, promoted the application of AI energy-saving technologies and effectively controlled the increase in electricity costs. Adhering to the principle of efficient investment, the Company continued to optimise the investment structure, and steered investment allocation towards high-growth, high-value areas and regions. The proportion of Industrial Digitalisation investment increased by 9.3 percentage points compared to the same period last year.



2.7 Proactively implementing environmental and social responsibilities while continuing optimising corporate governance

The Company implemented social responsibilities in building Cyberpower and Digital China. Through the co-building and co-sharing of mobile base stations, as well as measures such as the retirement of obsolete network equipment, AI energy saving for base stations and intelligent management of sites, the overall energy consumption per unit of information traffic flow declined by over 15% in the first half of the year compared to last year, while carbon emissions were reduced by over 3 million tons. The Company successfully completed communications assurance missions for major events such as the Beijing Winter Olympics, as well as major emergencies such as the earthquake in Lushan county, Sichuan province. The Company's targeted assistance effectively supported rural revitalisation while the new momentum of village governance was being activated with the construction of digital village. The Company bolstered its efforts to care for employees, strove to safeguard domestic and overseas employees' safety and well-being, and promoted mutual growth of employees and the Company, further enhancing employees' sense of achievement, happiness and security.

The Company coordinated Epidemic prevention and control with corporate operation and development while also undertook its responsibilities. The Company carried out various measures in areas such as precise speed upgrade, fee reduction or exemption, considerate service as well as digital and intelligent endowment, to effectively support the relief and problem-solving for small- and medium-sized enterprises (SMEs). The Company proactively implemented the further 10% reduction over last year in the average tariff of broadband and dedicated lines for SMEs, provided non-interrupted service in case of insufficient balance to over 100,000 SMEs and exempted rental fee for 24,000 small and micro-sized enterprises and individual business owners from the service industry. The Company provided informatised anti-epidemic products such e-Surfing Cloud Broadcasting, Cloud Conference, Cloud Computer, Cloud SaaS applications and Display of Caller Name Card, to help SMEs to reduce operating costs and enhance operating efficiency. The Company provided integrated informatised solutions for mobile cabin hospitals while also provided emergency dedicated lines and etc. for nucleic acid testing sites, effectively supporting the digitalisation process of the whole society.



During the first half of the year, adhering to excellent, prudent, and effective corporate governance principles, the Company continued to strengthen internal control system, enhance the level of governance and insist on compliance operation. The Company's development and compliance performance were highly recognised and acclaimed by the international community. The Company was voted as the "Most Honoured Companies in Asia" for the 12th consecutive year in the "The All-Asia-Executive-Team Poll" organised by *Institutional Investor*. The Company also won the "Gold Award –Excellence in Environmental, Social and Governance" in the "ESG Corporate Awards 2021" poll organised by *The Asset*. The Company is committed to realising its healthy and sustainable development, while preserving the rights and long-term interest of shareholders.

3. OUTLOOK

Looking ahead, the Company will continue to seize on new stages of its development and implement its new development principles completely, accurately and comprehensively, while proactively serving and integrating into the new development pattern. The Company will continue to promote its high-quality development and fully implement its "Cloudification

and Digital Transformation" strategy. Through the integration of cloud, AI, security and greenness, the Company will speed up the digitalised, scene-based and convergent upgrade of products and accelerate the nurturing and development of strategic emerging services such as cloud, security, AI and Big Data. The Company will insist on leading its corporate development with sci-tech innovation, enhance its capabilities in corporate value creation and sustainable development and proactively implement social responsibilities. The Company will also fully motivate and stimulate the enthusiasm, initiative and creativity of all employees and expedite the building of a world-class enterprise.

Ke Ruiwen

Chairman and Chief Executive Officer
Beijing, China

16 August 2022



4. MAJOR OPERATION DURING THE REPORTING PERIOD

Financial Review

Operating Revenues

In the first half of 2022, the Company insisted on the new development principles, proactively seized the strategic opportunities brought about by the new round of technological revolution and industrial transformation and fully implemented its “Cloudification and Digital Transformation” strategy. Taking the dual listing of A+H shares as an opportunity, the Company intensified sci-tech innovations and deepened the cloud-network integration, achieving rapid growth in operating results while attaining new results in high-quality development. In the first half of the year, operating revenues amounted to RMB242,319 million, representing an increase of 10.5% over the same period of last year. Service revenues¹² amounted to RMB221,384 million, representing an increase of 8.8% over the same period of last year. Among the service revenues, mobile communications service revenues¹³ amounted to RMB98,956 million, representing an increase of 6.0% over the same period of last year; Wireline and Smart Family service revenues¹⁴ amounted to RMB59,871 million, representing an increase of 4.4% over the same period of last year; Industrial Digitalisation service revenues¹⁵ amounted to RMB58,932 million, representing an increase of 17.6% over the same period of last year; and other service revenues¹⁶ amounted to RMB3,625 million, representing an increase of 34.4% over the same period of last year.

Operating Expenses

The Company firmly seized the opportunities arising from the development of digital economy, increased investment in key areas such as sci-tech innovation and Industrial Digitalisation. At the same time, the Company strengthened digital operation to reduce cost and enhance efficiency, further increased the efficiency of resources, with expenditures in some areas being maintained while in other areas being reduced, so as to support corporate high-quality development and the long-term value creation of the Company. In the first half of 2022, the Company's operating expenses were RMB219,206 million, representing an increase of 10.7% over the same period of last year. Operating expenses accounted for 90.5% of operating revenues, representing an increase of 0.2 percentage point over the same period of last year.

In order to support the construction of 5G network at scale and enhance its competitive advantages in network, the Company proactively expanded the deployment of new infrastructure such as data centres and cloud, accelerated the construction of the cloud-network foundation in the computing power era, and continued to invest in capital expenditures. At the same time, the Company vigorously promoted the co-building and co-sharing of 5G network and co-sharing of 4G network. In the first half of the year, depreciation and amortisation amounted to RMB46,735 million, representing an increase of 3.6% over the same period of last year.

¹² Service revenues are calculated based on operating revenues minus sales of mobile terminals (first half of 2022: RMB14,736 million; first half of 2021: RMB10,367 million), sales of wireline equipment (first half of 2022: RMB4,099 million; first half of 2021: RMB3,677 million) and other non-service revenues (first half of 2022: RMB2,100 million; first half of 2021: RMB1,691 million).

¹³ Mobile communications service revenues represent the aggregate amount of mobile communications service fees, mobile Internet access service fees, caller ID service fees and short messaging service fees, etc., charged to customers for the provision of mobile services.

¹⁴ Wireline and Smart Family service revenues represent amounts of wireline communications service fees, broadband Internet access service fees, e-Surfing HD service fees and Smart Family applications service fees charged to customers for the provision of wireline services.

¹⁵ Industrial Digitalisation service revenues represent the aggregate amount of fees charged to customers for the provision of Internet datacentre services, cloud services, digital platform services, dedicated Internet access services, etc.

¹⁶ Other service revenues represent primarily revenues from property rental and other revenues.



The Company continued to enhance network quality and capabilities building, so as to enhance customer experience and support the rapid development of 5G and Industrial Digitalisation services. In the first half of the year, network operations and support expenses amounted to RMB70,051 million, representing an increase of 9.6% over the same period of last year.

Firmly seizing the development opportunities of 5G, the Company promoted precision marketing, with the selling expenses as a percentage of revenue remaining stable. Meanwhile, the Company further increased input in R&D to enhance core capabilities and accumulate energy for future development. In the first half of the year, the selling, general and administrative expenses amounted to RMB32,026 million, representing an increase of 11.4% over the same period of last year.

The Company strengthened its sci-tech innovation, stepped up the introduction of high-tech talents and increased incentives for front-line employees and high-performance teams. Investments in personnel expenses were in line with the transformation of the Company towards a sci-tech company in the future. In the first half of the year, personnel expenses amounted to RMB44,618 million, representing an increase of 12.4% over the same period of last year.

In the first half of the year, other operating expenses amounted to RMB25,776 million, representing an increase of 25.4% over the same period of last year. The increase was mainly due to the significant increase in the scale of 5G mobile terminals sold.

Net Finance Costs

In the first half of 2022, the Company managed the proceeds from A-Share Offering and continued to enhance its capital management capabilities. The scale of interest-bearing debts was effectively reduced, and the net finance costs amounted to RMB30 million, representing a decrease of 97.3% over the same period of last year.

Profitability Level

The Company proactively seized the opportunities of digital transformation, deepened reform and innovation and continued to promote enhancement of efficiency. The Company's operating efficiency continuously increased while its profitability continued to enhance. In the first half of the year, profit attributable to equity holders of the Company reached RMB18,291 million, representing an increase of 3.1% over the same period of last year. Excluding the one-off after-tax gain from the disposals of its subsidiaries last year, the year-on-year growth rate was 12.0%. EBITDA¹⁷ was RMB69,848 million, representing an increase of 5.3% over the same period of last year. EBITDA margin¹⁸ was 31.6%.

¹⁷ EBITDA is calculated based on operating revenues minus operating expenses plus depreciation and amortisation. As the telecommunications business is a capital intensive industry, capital expenditure, the level of gearing and finance costs may have a significant impact on the net profit of companies with similar operating results. Therefore, we believe EBITDA may be helpful in analysing the operating results of a telecommunications service provider such as the Company. Although EBITDA has been widely applied in the global telecommunications industry as a benchmark to reflect operating performance, debt raising ability and liquidity, it is not regarded as a measure of operating performance and liquidity under International Financial Reporting Standards. It also does not represent net cash from operating activities. In addition, our EBITDA may not be comparable to similar indicators provided by other companies.

¹⁸ EBITDA margin is calculated based on EBITDA divided by service revenues.



Capital Expenditure And Cash Flows

The Company proactively supported the construction of 5G network at scale and expanded the deployment of new infrastructure such as data centres and cloud. In the first half of the year, the capital expenditure achieved balanced optimisation, reaching RMB41,655 million, representing an increase of 54.2% over the same period of last year. Due to the increase in capital expenditure in the first half of the year, free cash flow¹⁹ in the first half of the year decreased to RMB14,502 million year-on-year, but still maintained a healthy cash flow level.

Assets And Liabilities

The Company continued to maintain a solid financial position. As at 30 June 2022, the total assets increased by 2.8% from RMB762,234 million as at the end of 2021 to RMB783,849 million. Total indebtedness²⁰ decreased by 33.9% from RMB16,496 million as at the end of 2021 to RMB10,896 million. Gearing ratio²¹ decreased to 2.5% from 3.7% as at the end of 2021.

5. OTHER DISCLOSURE

(1) POTENTIAL RISKS

Risks of adapting to economic and policy environment

With the far-reaching impact of the global Covid-19 Epidemic, the international turmoil and increasing risk points, the Company may be exposed to restrictions, sanctions or other legal or regulatory measures in different jurisdictions. The domestic economy is facing the “triple pressure” of shrinking demand, supply shocks and weakening expectations. The

changing regulatory environment may bring risks and challenges to the Company's business development and revenue growth. The Company will strengthen the analysis and judgment of the external environment, actively prevent and respond to the risks brought by environmental changes, comprehensively deepen reform, promote the strategy of “Cloudification and Digital Transformation”, innovate business models, accelerate technological innovation, improve the compliance management system to solidly promote the high-quality development of the Company.

Business operation risks

Sci-tech innovation brings new opportunities but also presents new challenges to enterprises. With the rapid development of the digital economy, the upgrading and iteration of products and services have accelerated and customer's needs have become more diversified and personalised. Thus, a certain gap exists between the Company's products and services and customer's needs in terms of variety, performance and experience. A gap also exists between the level of Industrial Digitalisation and digital industrialisation and the requirements of digital economy development. Market competition further intensified, with the growth rate of subscribers in the communications industry facing downward pressure and technological and innovation development showing deficiencies. The Company will further strengthen the research and development and the conversion of achievements of sci-tech innovations, increase the dual driving forces of fundamental business and Industrial Digitalisation services and the mutual promotion of dual circulation of domestic and international markets, make efforts in the research and development and promotion of products from the supply-side, promote the optimisation of 5G business model and industry chain,

¹⁹ Free cash flow is calculated based on EBITDA minus capital expenditure, income tax and depreciation charge for right-of-use assets other than land use rights.

²⁰ Total indebtedness refers to interest-bearing debts excluding lease liabilities.

²¹ Gearing ratio is calculated based on total indebtedness divided by total capital, while total capital is calculated based on total equity attributable to equity holders of the Company plus total indebtedness.



increase the capital deployment intensity, expand the "circle of friends" in the ecology and continuously improve the market competitiveness of product supply to meet the diversified and personalised needs of customers.

Network and information security risks

The accelerated evolution of information and communications networks and the growing number of cyber-attacks for different purposes have brought new challenges to network security operations. With the promulgation, revision and implementation of relevant laws and regulations including the *Network Security Law*, the *Data Security Law*, the *Personal Information Protection Law*, the *Regulations on Protecting the Security of Critical Information Infrastructure* and the *Cyber Security Review Measures*, the Nation has further strengthened the supervision over relevant fields. As illegal and criminal acts on the network have received widespread attention from the society, greater demands have been placed on the Company's data security and personal information protection. The Company will further consolidate the security foundation of new information infrastructure, enhance the independence and control capability of core network technologies, optimise the supply chain security management system and strengthen the emergency response and sourcing capability. At same time, the Company will further strengthen the risk prevention and control, establish the major risk monitoring mechanism, strengthen the protection of key information infrastructure, deepen data security and user personal information protection, accelerate the use of data and intelligence injection in the security core platform, continue to carry out network security risk investigation, to effectively ensure the security and reliability of network operation as well as data and personal information security.

International operation risks

The recurrence of the global Epidemic has brought greater challenges to overseas operations. Factors such as changes in the policy environment in the countries/regions where the Company operates have brought risks to overseas business expansion. There is still a gap between the products and services and the demands of customers. The overseas subsidiaries will further strengthen market analysis and the study on policies and laws of relevant countries/regions, strengthen overseas compliance management and risk investigation, enhance risk response capabilities and continue to optimise the overseas Epidemic prevention and control and risk prevention responsibility system.

(2) OTHER DISCLOSURES

Purchase, Sale or Redemption of Listed Securities of the Company

During the six-month period ended 30 June 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.



Directors' and Supervisors' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

Saved as disclosed below, as at 30 June 2022, none of the Directors and Supervisors of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO")) as recorded in the register required to be maintained under Section 352 of the SFO or as otherwise notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

Name	Position	Class of share	Number of Shares	Capacity	Shares held as approximate percentage of the total number of respective class of shares in issue	Shares held as approximate percentage of the total number of shares in issue
Chen Shengguang	Non-Executive Director	A Share	1,000	Beneficial owner	0.00%	0.00%
			(Long Position)			
			1,000	Interest of spouse	0.00%	0.00%
			(Long Position)			
Zhang Jianbin	Employee Representative Supervisor	A Share	1	Beneficial owner	0.00%	0.00%
			(Long Position)			

As at 30 June 2022, the Company has not granted its Directors or Supervisors, or their respective spouses or any of their respective minor child (natural or adopted) or on their behalf any rights to subscribe for the shares or debentures of the Company or any of its associated corporations and none of them has ever exercised any such right to subscribe for the shares or debentures.



Material Interests and Short Positions in Shares and Underlying Shares of the Company

As at 30 June 2022, the interests or short position of persons who are entitled to exercise or control the exercise of 5% or more of the voting power at the shareholders' class meetings of the Company (excluding the Directors and Supervisors) in the shares and underlying shares of the Company as recorded in the register required to be maintained under Section 336 of the SFO are as follows:

Name of shareholder	Number of shares*	Class of share	Approximate percentage of the respective class of shares in issue	Approximate percentage of the total number of shares in issue	Capacity
China Telecommunications Corporation	57,783,972,256 (Long Position)	A Share	74.43%	63.14%	Beneficial owner
Guangdong Rising Holdings Group Co., Ltd.	5,614,082,653 (Long Position)	A Share	7.25%	6.14%	Beneficial owner
GIC Private Limited	2,086,811,702 (Long Position)	H Share	15.04%	2.28%	Investment manager

* The information disclosed above is based on the interests and short position as recorded in the register required to be maintained by the Company under Section 336 of the SFO. Pursuant to the relevant provisions of the SFO, shareholders only have to file a disclosure of interest on the occurrence of certain events — called "relevant events". Accordingly, the exact numbers of shares held by the above-mentioned shareholders as at 30 June 2022 may be different from those as disclosed above.

Save as disclosed above, as at 30 June 2022, in the register required to be maintained under Section 336 of the SFO, no other persons were recorded to hold any interests or short positions in the shares and underlying shares of the Company.



Audit Committee

The audit committee has reviewed with management and the Company's external auditors the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting matters of the Group including the review of the Interim Report for the six-month period ended 30 June 2022.

Compliance with the Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules to govern securities transactions by Directors and Supervisors. Based on the written confirmations from the Directors and Supervisors, the Company's Directors and Supervisors have confirmed their compliance with the Model Code regarding the requirements in conducting securities transactions for the period from 1 January 2022 to 30 June 2022.

Deregistration of ADS and Termination of Reporting Obligations

The delisting of the Company's ADSs became effective on 18 May 2021 and the Company's ADS program was terminated on 8 December 2021 (US eastern standard time). The Company filed a Form 15F with the Securities and Exchange Commission on 25 February 2022 to deregister the ADSs and terminate its reporting obligations under the U.S. Securities Exchange Act of 1934, as amended. Such deregistration and termination of reporting obligations became effective 90 days after the filing of the Form 15F.

Issue of Shares and Use of Proceeds

On 20 August 2021, the Company successfully completed the offering and listing of A Shares on the SSE. The total proceeds from the issuance amounted to approximately RMB47,094 million before the exercise of the over-allotment option. After deducting the issuance expenses, the net proceeds amounted to approximately RMB46,712 million. The exercise period of the over-allotment option for the A Share Offering expired on 22 September 2021. Together with the proceeds from the initial issuance of A Shares, the final gross proceeds from the issuance amounted to approximately RMB47,904 million, and the net proceeds after deducting the issuance expenses amounted to approximately RMB47,516 million. As disclosed in the prospectus, the above proceeds will be used on the three investment projects of the Company, namely 5G Industrial Internet Construction Project, the Cloud-network integration new information infrastructure project and the research and development project of sci-tech innovation. During the Reporting Period, the proceeds were used, or are proposed to be used, according to the intentions previously disclosed in the prospectus, and there was no material change or delay. As of 31 December 2021, the total amount of proceeds invested was approximately RMB14,895 million, and the amount of proceeds not utilised was approximately RMB32,621 million. As of 30 June 2022, the amount of proceeds invested during the Reporting Period was approximately RMB9,501 million, and the accumulated total amount of proceeds invested was approximately RMB24,396 million. The use of proceeds is as follows:



Projects invested with proceeds	Total committed investment of proceeds (RMB million)	Amount invested during the Reporting Period (RMB million)	Total accumulated amount invested as of the end of the Reporting Period (RMB million)	Amount not utilised as of the end of the Reporting Period (RMB million)	Expected timeline for use of proceeds
5G Industrial Internet Construction Project	9,957	3,464	6,261	3,696	2023 or before
Cloud-network integration new information infrastructure project	23,583	3,661	13,098	10,485	2023 or before
Research and development project of sci-tech innovation	13,976	2,376	5,037	8,939	2023 or before
Total	47,516	9,501	24,396	23,120	-

Interim Dividend

The interim dividend is expected to be paid on or before 14 October 2022 to those shareholders whose names appear on the H Share Register of Members of the Company on Wednesday, 7 September 2022. For the purpose of determining H Share shareholders' entitlement to the interim dividend, the H Share Register of Members will be closed from Friday, 2 September 2022 to Wednesday, 7 September 2022 (both days inclusive). In order to be entitled to the interim dividend, holders of H Shares who have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Thursday, 1 September 2022. The Company will announce the specific arrangement for the payment of interim dividend to holders of A Shares separately on the Shanghai Stock Exchange.



Dividends will be denominated and declared in Renminbi. Dividends for holders of A Shares and the investors of the Shanghai Stock Exchange and Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Stock Exchange (the "Southbound Trading Link") (the "Southbound Investors") will be paid in Renminbi, whereas dividends for H Share shareholders other than Southbound Investors will be paid in Hong Kong dollars. The relevant exchange rate will be the average median rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the week prior to the date of declaration of dividends (i.e., 16 August 2022) (RMB0.860074 equivalent to HK\$1.00).

Pursuant to the "Enterprise Income Tax Law of the People's Republic of China", the "Implementation Rules of the Enterprise Income Tax Law of the People's Republic of China" and the "Circular of the State Taxation Administration on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares" (Guo Shui Han [2008] No. 897), the Company shall be obliged to withhold and pay 10% enterprise income tax when it distributes the 2022 interim dividend to non-resident enterprise shareholders of overseas H Shares (including HKSCC Nominees Limited, other corporate nominees or trustees, and other entities or organisations) whose names appear on the Company's H Share Register of Members on Wednesday, 7 September 2022.

Pursuant to the "Notice of the State Taxation Administration on Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045" (Guo Shui Han [2011] No. 348), if the individual H Share shareholders who are Hong Kong or Macau residents and those whose country of domicile is a country which has entered into a tax treaty with PRC stipulating a dividend tax rate of 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of the individual H Share shareholders. If the individual H Share shareholders whose country of domicile is a country which has entered into a tax treaty with PRC stipulating a dividend tax rate of less than 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of the individual H Share shareholders. If the individual H Share shareholders whose country of domicile is a country which has entered into a tax treaty with PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If the individual H Share shareholders whose country of domicile is a country which has entered into a tax treaty with PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Share shareholders. If those shareholders need to request a refund of tax overpaid from the PRC tax authorities on his own or through an agent or the Company in accordance with the relevant requirements of the "Announcement of



the State Taxation Administration on Promulgating the Administrative Measures for Nonresident Taxpayers for Treatments under Tax Treaties” (Announcement [2019] No. 35 of the State Taxation Administration), they shall submit the “Information Report on Non-resident Taxpayers for Treatments under Tax Treaties” (Announcement [2019] No. 35 of the State Taxation Administration), and collect and file such information.

The Company will determine the country of domicile of the individual H Share shareholders based on the registered address as recorded in the H Share Register of Members of the Company on Wednesday, 7 September 2022 (the “Registered Address”). If the country of domicile of an individual H Share shareholder is not the same as the Registered Address or if the individual H Share shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual H Share shareholder shall notify and provide relevant supporting documents to the Company on or before Thursday, 1 September 2022. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and payment provisions and arrangements. Individual H Share shareholders may either personally attend or appoint a representative to attend to the procedures in accordance with the requirements under the tax treaties notice if they do not provide the relevant supporting documents to the Company within the time period stated above.

For Southbound Investors (including enterprises and individuals), the Shanghai branch of China Securities Depository and Clearing Corporation Limited and the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the investors of the Southbound Trading Link, will receive all dividends distributed by the Company and will distribute the dividends to the relevant investors under the Southbound Trading Link through its depository and clearing system. According to the relevant provisions under the “Notice on Taxation Policies for Shanghai- Hong Kong Stock Connect Pilot Programme” (Cai Shui [2014] No. 81) and “Notice on Taxation Policies for Shenzhen-Hong Kong Stock Connect Pilot Programme” (Cai Shui [2016] No. 127), the Company shall withhold and pay individual income tax at the rate of 20% with respect to dividends received by the Mainland individual investors for investing in the H Shares of the Company listed on the Stock Exchange through the Southbound Trading Link. In respect of the dividends received by Mainland securities investment funds investing in the H Shares of the Company listed on the Stock Exchange through the Southbound Trading Link, the tax levied shall be ascertained by reference to the rules applicable to individual investors. The Company is not required to withhold and pay income tax on dividends derived by the Mainland enterprise investors under the Southbound Trading Link, and such enterprises shall report the income and make tax payment by themselves. The record date for entitlement to the shareholders’ rights and the relevant arrangements of dividend distribution for the Southbound Investors are the same as those for the Company’s H Share shareholders.



The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Share shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Share shareholders or any disputes relating to the tax withholding and payment mechanism or arrangements.

For H Share shareholders other than the Southbound Investors, the Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent in Hong Kong (the "Receiving Agent") and will pay to such Receiving Agent the interim dividend declared for payment to H Share shareholders other than the Southbound Investors. The Receiving Agent will pay the interim dividend net of the applicable tax on 14 October 2022. The relevant dividend warrants will be despatched to H Share shareholders by ordinary post and the risk of errors involved in the postage will be borne by the H Share shareholders. For the Southbound Investors, the interim dividend net of the applicable tax will be paid by the Company to the Shanghai branch of China Securities Depository and Clearing Corporation Limited and Shenzhen branch of China Securities Depository and Clearing Corporation Limited on 14 October 2022. The Shanghai branch of China Securities Depository and Clearing Corporation Limited and Shenzhen branch of China Securities Depository and Clearing Corporation Limited will pay the interim dividend net of the applicable tax to the Southbound Investors.

Other Information

According to paragraph 40 of Appendix 16 of the Listing Rules, save as disclosed in this report, the Company confirms that the current company information in relation to those matters set out in paragraph 32 of Appendix 16 has not changed materially from the information disclosed in the Company's 2021 Annual Report prepared in accordance with International Financial Reporting Standards ("2021 Annual Report").



SECTION IV CORPORATE GOVERNANCE REPORT

1. GENERAL MEETINGS

Session	Date	Designated websites for publishing resolutions	Resolutions of the Meeting
The First Extraordinary General Meeting in 2022	2022-03-22	www.hkexnews.hk www.chinatelecom-h.com	<ol style="list-style-type: none">1. THAT the election of Mr. Tang Ke as a Director of the Company be and is hereby considered and approved, and shall take effect from the date of passing this resolution until the annual general meeting of the Company for the year 2022 to be held in year 2023; THAT any Director of the Company be and is hereby authorised to sign on behalf of the Company the Director's service contract with Mr. Tang Ke; and THAT the Board be and is hereby authorised to determine his remuneration;2. THAT the purchase of liabilities insurance for the Company and its Directors, Supervisors and senior management be considered and approved;3. To consider and approve the resolutions in relation to the election of Shareholder Representative Supervisors: THAT the election of Madam Han Fang as a Shareholder Representative Supervisor of the Company be and is hereby considered and approved, and shall take effect from the date of passing this resolution until the annual general meeting of the Company for the year 2022 to be held in year 2023; THAT any Director of the Company be and is hereby authorised to sign on behalf of the Company the Supervisor's service contract with Madam Han Fang; and THAT the Supervisory Committee be and is hereby authorised to determine her remuneration; THAT the election of Madam Wang Yibing as a Shareholder Representative Supervisor of the Company be and is hereby considered and approved, and shall take effect from the date of passing this resolution until the annual general meeting of the Company for the year 2022 to be held in year 2023; THAT any Director of the Company be and is hereby authorised to sign on behalf of the Company the Supervisor's service contract with Madam Wang Yibing; and THAT the Supervisory Committee be and is hereby authorised to determine her remuneration.



Session	Date	Designated websites for publishing resolutions	Resolutions of the Meeting
Annual General Meeting for the year 2021	2022-05-19	www.hkexnews.hk www.chinatelecom-h.com	<ol style="list-style-type: none"> 1. THAT the financial reports of the Company for the year of 2021 audited by PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers be considered and approved; 2. THAT the Annual Reports for the year of 2021 be considered and approved; 3. THAT the work report of the Board for the year of 2021 be considered and approved; 4. THAT the work report of the Supervisory Committee for the year of 2021 be considered and approved; 5. THAT the profit distribution and dividend declaration plan of the Company for the year of 2021 be considered and approved; 6. THAT the authorisation to the Board to decide on the interim profit distribution plan of the Company for year 2022 be considered and approved; 7. THAT the re-appointment of PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP as the external auditors of the Company for the year ending 31 December 2022 and the authorisation to the Board to fix the remuneration of the auditors be considered and approved.

During the Reporting Period, the Company held 2 general meetings, with all resolutions approved. For details, please refer to the relevant announcements published by the Company on the websites of the Stock Exchange and the Company.

The convening, holding, voting and other relevant procedures of the general meetings of the Company were in compliance with the laws and regulations, the Articles of Association of the Company, the Rules of Procedures of the Shareholders' General Meeting and other relevant requirements to ensure that all shareholders, especially minority shareholders, enjoy equal status and fully exercise their rights.



2. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Company held the first 2022 Extraordinary General Meeting on 22 March 2022, at which relevant resolution was considered and approved to elect Mr. Tang Ke as an Executive Director of the Company.

The Company held the first 2022 Extraordinary General Meeting on 22 March 2022, at which relevant resolutions were considered and approved to elect Madam Han Fang and Madam Wang Yibing as Shareholder Representative Supervisors of the Company.

The Company held the 12th meeting of the seventh session of the Supervisory Committee on 29 March 2022, at which relevant resolution was considered and approved to elect Madam Han Fang as the Chairlady of the Supervisory Committee of the Company.

The Company held the 18th meeting of the seventh session of the Board on 26 April 2022, at which relevant resolutions were considered and approved to appoint Mr. Xia Bing as an Executive Vice President of the Company and Mr. Li Yinghui as an Executive Vice President and the Chief Financial Officer of the Company. The above appointments became effective from 26 April 2022 until the annual general meeting of the Company for the year 2022 to be held in year 2023. In addition, the Board will seek approval for the proposed appointments of Mr. Xia Bing and Mr. Li Yinghui as Executive Directors of the Company from the shareholders of the Company. The relevant proposed appointments will be effective from the date of approval by the shareholders of the Company at an extraordinary general meeting to be convened (the “Extraordinary General Meeting”) until the annual general meeting of the Company for the year 2022 to be held in year 2023.



Due to his age, Mr. Li Zhengmao has retired from his positions as an Executive Director, the President and Chief Operating Officer of the Company with effect from 12 July 2022. Mr. Shao Guanglu, an Executive Director of the Company, has been appointed as the President and Chief Operating Officer of the Company. The relevant appointments became effective from 16 August 2022 until the annual general meeting of the Company for the year 2022 to be held in year 2023.

Pursuant to the relevant requirement issued by China Securities Regulatory Commission that the term of independent directors should not exceed six years, as Mr. Tse Hau Yin, Aloysius (“Mr. Tse”), Mr. Xu Erming (“Mr. Xu”) and Madam Wang Hsuehming (“Madam Wang”) have served as Independent Non-Executive Directors for more than 6 years, Mr. Tse will resign from his positions as an Independent Non-Executive Director, the chairman and a member of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee, Mr. Xu will resign from his positions as an Independent Non-Executive Director, the chairman and a member of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee, and Madam Wang will resign from her positions as an Independent Non-Executive Director, the chairlady and a member of the Nomination Committee, a member of the Audit Committee and the Remuneration Committee. In order to ensure the Board’s normal operation, the resignation of Mr. Tse, Mr. Xu and Madam Wang shall take effect on the date of election of the proposed Independent Non-Executive Directors at the Extraordinary General Meeting. Prior to that, Mr. Tse, Mr. Xu and Madam Wang will continue to carry out their relevant duties as Independent Non-Executive Directors and in the above special committees of the Board. Meanwhile,

the Board will seek approval for the proposed appointments of Mr. Ng, Kar Ling Johnny, Mr. Chen Dongqi and Madam Chen Lihua as Independent Non-Executive Directors of the Company from the shareholders of the Company. The relevant proposed appointments will be effective from the date of approval by the shareholders of the Company at the Extraordinary General Meeting until the annual general meeting of the Company for the year 2022 to be held in year 2023.

The changes in the biographical information relating to the Directors of the Company since the date of the 2021 Annual Report are set out below:

Mr. Shao Guanglu, an Executive Director, the President and Chief Operating Officer of the Company, is currently a Director and the President of China Telecommunications Corporation. Mr. Liu Guiqing, an Executive Director and Executive Vice President of the Company, is currently the Chairman and an Executive Director of China Communications Services Corporation Limited which is listed on the Main Board of the HKSE. Mr. Yeung Chi Wai, Jason, an Independent Non-Executive Director of the Company, no longer served as an Independent Non-Executive Director of Bank of Communications Co., Ltd. which is listed on the Main Board of the HKSE and the Shanghai Stock Exchange.

Save as stated above, there is no other information of the Directors or Supervisors of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The biographical details of the Directors, Supervisors and senior management are available on the website of the Company (www.chinatelecom-h.com).



3. PROPOSAL FOR PROFIT DISTRIBUTION OR CONVERSION OF CAPITAL RESERVE

The half-year proposal for profit distribution or conversion of capital reserve

Whether distributed or capitalised	Yes
Number of bonus shares for every 10 shares (share)	0
Dividend amount per 10 shares (RMB) (pre-tax)	1.20
Number of shares capitalised for every 10 shares (share)	0

Description on the proposal for profit distribution or conversion of capital reserve

After fully considering the returns to shareholders, the Company's profitability, cash flow level and capital needs for future development, the 19th meeting of the seventh session of the Board of the Company decided to distribute the interim dividend for 2022 to all shareholders based on 60% of the profit attributable to equity holders of the Company in the amount of RMB18.29 billion. Based on the total share capital registered on the record date for the dividend distribution, and based on the Company's total share capital of 91,507,138,699 shares as at 30 June 2022, a dividend of RMB0.120 per share (pre-tax) was declared and will be paid to all shareholders. In case of any change in the total number of issued share capital of the Company before the record date for the implementation of the dividend distribution, the total distribution amount will remain unchanged, and the distribution amount per share will be adjusted accordingly with specific adjustments to be announced separately.

The Board has been authorised by 2021 Annual General Meeting to decide the proposal of interim dividend and the resolution for the proposed interim dividend was passed at the 19th meeting of the seventh session of the Board of the Company on 16 August 2022.

4. EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY AND THEIR IMPACT

The Company implemented two phases of share appreciation rights scheme in 2018 and 2021, respectively, to provide mid- to long-term incentives for key personnel (excluding the Executive Directors, Non-Executive Directors, Independent Directors, Supervisors and senior management of the Company).

As approved by the Board, according to the 2021 Share Appreciation Rights Proposal, the Company granted a total of approximately 2,402 million H share appreciation rights to 7,908 key personnel of the Company with an exercise price of HK\$2.686.



Firstly, share appreciation rights are distributed based on contribution, adhering to the value-oriented principle and tilting towards units with remarkable high-quality development. Secondly, share appreciation rights are distributed based on potential, which adheres to the development orientation and tilts to the key areas of “Cloudification and Digital Transformation” and high-end and high-quality talents. Thirdly, share appreciation rights are granted based on performances. The Company adheres to the performance-oriented principle and closely links the number of rights exercised with the Company’s performance and employees’ individual performance, and imposes penalties for failure to achieve performance targets.

5. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company attaches great importance to corporate governance. We continued to make efforts in improving the Company’s internal control mechanisms, strengthening information disclosure and enhancing the Company’s transparency, continuously developing corporate governance practices and protecting shareholders’ interests to the maximum degree.

The roles of Chairman and Chief Executive Officer of the Company were performed by the same individual, for the six-month period ended 30 June 2022. In the Company’s opinion, through supervision by the Board of Directors and Independent Non-Executive Directors, with effective control of the Company’s internal check and balance mechanism, the same individual performing the roles of Chairman and Chief Executive Officer can enhance the Company’s efficiency in decision-making and execution and effectively capture business opportunities. Many leading international corporations around the world also have similar arrangements.

Save as stated above, the Company has been in compliance with all the code provisions under the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six-month period ended 30 June 2022.

SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES



1. ENVIRONMENTAL INFORMATION

(1) Description of environmental protection of the Company other than key pollutant discharging units

The Company and its subsidiaries are not the key pollutant discharging units announced by the environmental protection department. The Company and its subsidiaries earnestly implement *the Environmental Protection Law of the People's Republic of China, the Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and other environmental protection laws and regulations in their daily production and operation. The production and operation activities are in compliance with the relevant national environmental protection requirements.

(2) Relevant information on protecting the ecology, preventing and controlling pollution, and fulfilling environmental responsibilities

The company adheres to the concept of green development, actively participates in various activities such as ecological protection and pollution control, fully commits to social responsibilities, and empowers the green development of the whole society.

1. The Company actively promotes and advocates water conservation by posting reminders regarding water conservation near water facilities and appliances. The Company continuously strengthens the management on water usage, carries out sewage discharge management, promotes the recycled use of water for production, actively uses reclaimed

water as an alternative to tap water while the requirements on use of water are met, popularises the use of water-saving appliances and performs regular checks and repairs on each part of the water supply system to prevent occurrences of water leakage and water wastage.

2. The Company enhances the recycling, disposal and utilisation of waste and used materials in order to conserve resources as much as possible and reduce environmental pollution. The Company strictly follows *the Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes of the People's Republic of China* and other laws and regulations regarding waste disposal and utilisation and carries out waste disposal in accordance with regulatory requirements.
3. The Company takes proactive environmental protection measures regarding issues in telecommunications engineering construction in response to concerns of the government and the public, such as farmland protection, equipment pollution, construction impact and electromagnetic radiation to ensure compliance with the government's regulatory requirements, and to actively communicate with the public.
4. The Company, from the perspectives of technology and systems, actively encourages paper saving and reduces paper use. The Company continuously promotes electronic accounting files management, VAT electronic invoice, e-reimbursement and filing of e-invoice and paperless operation, and promotes automatic process of tax declaration in order to reduce the use of paper.



(3) Measures taken to reduce carbon emissions during the Reporting Period and their effects

In the first half of the year, the Company firmly followed the green and low-carbon development path to steadily promote green and low-carbon development with accelerated progress and high-quality. The Company set up the Office of Carbon Dioxide Peaking and Carbon Neutrality Leading Group and set up a special team for green development to incorporate green concepts and green capabilities into the whole process of “Cloudification and Digital Transformation”, forming a 1248 green and low-carbon development model. It incorporated green development into the whole process of production and operation and all fields, and comprehensively transformed from dual control of energy consumption to dual control of carbon. Strict assessment and control mechanism have been set up to control the total amount of carbon emissions and the intensity of carbon emissions. In the first half of the year, through measures such as co-build and co-share of 4/5G base stations, retirement of old equipment, AI energy conservation at base stations and intelligent management of machine rooms, the Company achieved a year-on-year reduction of over 15% in the overall energy consumption per unit of information flow, and reduced carbon emissions by over 3 million tons.

2. CONSOLIDATION AND EXPANSION OF ACHIEVEMENTS IN POVERTY ALLEVIATION AND PROSPERITY OF RURAL VILLAGES

In the first half of 2022, the Company studied and engaged in the rural revitalisation and targeted poverty alleviation work for 2022 and issued the *2022 Key Points of China Telecom on Comprehensive Promotion of Rural Revitalisation*. The digital life company was newly invited as a member of the leading group for rural revitalisation. The construction of digital villages facilitated the Company's enterprise cloud-network integration in effectively consolidating and expanding effective connections between the achievements of poverty alleviation and rural revitalisation.

The Company accelerated the implementation of targeted poverty alleviation work and actively carried out poverty alleviation through consumption by organising talent training activities for 9,735 persons; promoted the research and formulation of the implementation plan for digital village products and demonstration points; carried out the “Spring Action” to promote the development of digital economy; built up 112,000 China Telecom digital villages; and empowered rural industrial revitalisation, talent revitalisation, cultural revitalisation, ecological revitalisation and organisational revitalisation with the construction of digital villages.

The Company successfully completed all tasks for the targeted poverty alleviation assessment in 2021, and has attained the highest grade in the evaluation of the effectiveness of targeted poverty alleviation by units of the Central Government for four consecutive years, ranking in the top ten in central state-owned enterprises.



SECTION VI SIGNIFICANT EVENTS

1. PERFORMANCE OF UNDERTAKINGS

(1) The ultimate controller, shareholders, related parties, acquirers of the Company, the Company, and other relevant parties of the undertakings during or subsisting to the Reporting Period

Background of undertakings	Type of undertakings	Undertaking party	Content of undertakings	Term for undertakings	Whether there is a term for performance	Whether performed timely and strictly	Specific reasons for the failure to timely honor the undertaking	Further plans in the event of failing to timely honor the undertakings
	Restricted tradable shares	Controlling shareholder	Restrictions on the circulation of the shares and the shareholders' commitment to voluntary lock-up their shares	36 months from the date of A Share listing of the Company	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Restricted tradable shares	Guangdong Rising, Zhejiang Financial Development, Fujian Investment Group, Jiangsu Guoxin	Restrictions on the circulation of the shares and the shareholders' commitment to voluntary lock-up their shares	12 months from the date of A Share listing of the Company	Yes	Yes	N/A	N/A
	Restricted tradable shares	Controlling shareholder, Guangdong Rising	Undertakings on intention to hold shares and intention to sell shares	Long-term	Yes	Yes	N/A	N/A
	Resolving peer competition	Controlling shareholder	Non-competition undertaking	Long-term	Yes	Yes	N/A	N/A

SECTION VI SIGNIFICANT EVENTS

Background of undertakings	Type of undertakings	Undertaking party	Content of undertakings	Term for undertakings	Whether there is a term for performance	Whether performed timely and strictly	Specific reasons for the failure to timely honor the undertaking	Further plans in the event of failing to timely honor the undertakings
	Resolving related party transactions	Controlling shareholder, Guangdong Rising	Undertakings to regulate and reduce related party transactions	Long-term	Yes	Yes	N/A	N/A
	Resolution of defects in property rights of land	Controlling shareholder	Loss-bearing commitment for defects in property rights of land	Long-term	Yes	Yes	N/A	N/A
	Others	Controlling shareholder	Commitment to long-term use of trademark license	Long-term	Yes	Yes	N/A	N/A
	Others	Controlling shareholder, the Company, directors and senior management other than independent directors and directors who do not receive remuneration from the Company	Undertakings to stabilise the share price	Within three years from the date of A Share listing of the Company	Yes	Yes	N/A	N/A
	Others	The Company, controlling shareholder, directors and senior management	Undertaking to adopt remedial measures for dilution of the immediate returns by the issuance of share	Long-term	Yes	Yes	N/A	N/A
	Others	The Company, controlling shareholder, directors, supervisors and senior management	Undertaking that there is no false record, misleading statement, or material omission in the prospectus	Long-term	Yes	Yes	N/A	N/A
	Others	The Company, controlling shareholder, directors, supervisors and senior management	Undertaking on binding measures for the failure to perform the commitment	Long-term	Yes	Yes	N/A	N/A
	Others	The Company	Undertaking on disclosure of shareholders' information	Long-term	Yes	Yes	N/A	N/A
Other undertakings	Dividend	The Company	Undertaking on the profit distribution policy and the arrangement in relation to the accumulated profits	Long-term	Yes	Yes	N/A	N/A



2. MATERIAL CONTRACTS AND PERFORMANCE

(1) Material guarantees performed and not yet fulfilled during the Reporting Period

Unit: yuan Currency: Renminbi

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)

Total amount of guarantees incurred during the Reporting Period (excluding those provided to subsidiaries)	0
Total balance of guarantees as at the end of the Reporting Period (A) (excluding those provided to subsidiaries)	0

Guarantees provided by the Company to its subsidiaries

Total amount of guarantees provided to subsidiaries incurred during the Reporting Period	6,736,818.00
Total balance of guarantees provided to subsidiaries as at the end of the Reporting Period (B)	16,253,443.90

Aggregate guarantees of the Company (including those guarantees provided to its subsidiaries)

Aggregate amount of guarantees (A + B)	16,253,443.90
Percentage of total aggregate amount of guarantee to net assets of the Company (%)	0.004
Representing:	
Amount of guarantees provided for shareholders, ultimate controller and their related parties (C)	0
Amount of debt guarantees directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)	0
Amount of total guarantee exceeding 50% of net assets (E)	0
Aggregate amount of the above three guarantees (C + D + E)	0
Explanation on the potential joint and several liability for outstanding guarantees	Nil

Clarification of guarantee

During the Reporting Period, the external guarantees provided by the Company were non-financing guarantees provided by China Telecom Group Finance Co., Ltd. and China Telecom Global Limited, all being subsidiaries of the Company, to wholly-owned subsidiaries of the Company. If the amount of the above-mentioned external guarantees involves foreign currency, it would be converted at the median rate for the exchange rate of RMB announced by the People's Bank of China on 30 June 2022.



(2) Description of guarantees during the Reporting Period

The Company held the 12th meeting of the seventh session of the Board on 10 November 2021, at which the Proposal on the Plan for External Guarantee was considered and approved, pursuant to which the provision of guarantee in an aggregate amount of not exceeding RMB182.85 million by the Company's subsidiaries (hereinafter referred to the Company's wholly-owned and holding companies), including China Telecom Finance, China Telecom Global and China Telecom (Europe) Limited, a wholly-owned subsidiary of China Telecom Global, to the Company's wholly-owned subsidiaries was approved. The limits of the guarantee shall be valid from the date of consideration and approval by the Board of the Company to 31 March 2022. For details, please refer to the "Announcement of China Telecom Corporation Limited on the Plan for External Guarantee" disclosed by the Company on 10 November 2021. Within the scope of the above guarantee limits, China Telecom Finance, a subsidiary of the Company, entered into an agreement of guarantee with China Telecom Digital Intelligence Technology on 14 December 2021, pursuant to which China Telecom Finance agreed to provide guarantee to China Telecom Digital Intelligence Technology with a limit of not more than RMB100 million.

According to the needs of daily production and operation, China Telecom Finance and China Telecom Global, both being subsidiaries of the Company, contemplated to provide guarantees to wholly-owned subsidiaries of the Company in 2022, with the provision of guarantee in an aggregate amount of not exceeding RMB205.80 million (or equivalent foreign currency). The guarantee limit is valid until 31 March 2023. The guaranteed are all wholly-owned subsidiaries of the Company with asset-liability ratio not exceeding 70%. In accordance with relevant laws and regulations, China Telecom Finance and China Telecom Global have separately performed relevant internal decision-making procedures for the above guarantees. For details, please refer to the "Announcement of China Telecom Corporation Limited on the Plan for External Guarantee for 2022" disclosed by the Company on 30 March 2022.

(3) The progress of guarantees during the Reporting Period

Within the scope of the above guarantee limit, China Telecom Finance provided three guarantees totaling RMB6,736,818.00 to China Telecom Digital Intelligence Technology pursuant to its application. The details of the guarantees are as follows:

Guarantor	Guaranteed party	Amount of guarantee (RMB)	Guarantee period	Type of guarantee	Method of guarantee
	China Telecom Digital Intelligence Technology Co., Ltd Shaanxi Branch	6,550,318.00	07 May 2022 to 06 September 2022	Non-financing guarantee	Performance guarantee
China Telecom Group Finance Co., Ltd.	China Telecom Digital Intelligence Technology Co., Ltd Anhui Branch	144,000.00	25 May 2022 to 05 April 2023	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd Anhui Branch	42,500.00	25 May 2022 to 24 May 2023	Non-financing guarantee	Performance guarantee

(4) The cumulative amount of guarantees and the amount of overdue guarantees

As at the end of the Reporting Period, the balance of external guarantees provided by the Company and its subsidiaries was RMB16.2534 million, all of which were guarantees provided by subsidiaries of the Company to other wholly-owned subsidiaries of the Company. The Company did not provide guarantees to its subsidiaries or third parties, and there was no overdue guarantee. Any amount of the above-mentioned external guarantees involving foreign currency is converted at the median rate of the exchange rate of RMB announced by the People's Bank of China on 30 June 2022.

3. DESCRIPTION OF OTHER SIGNIFICANT EVENTS

1. On 21 September 2021, the Company published the “Announcement on the Plan to Increase Shareholding by the Controlling Shareholder”, pursuant to which, China Telecommunications proposed to increase its shareholding in the Company by an amount of not less than RMB4 billion, as and when appropriate, during the twelve-month period from 22 September 2021. There is no price range for the increase in shareholding. In view of the fair judgement on the Company's share price, China Telecommunications would gradually implement the plan on shareholding increase taking into account of the fluctuations in the Company's share price and the overall trend of the capital market. The shareholding increase plan is a voluntary shareholding increase plan of China Telecommunications and is implemented separately from the plan for share price stabilisation within three years after the A Share listing of the Company. On 7 March 2022, the Company published

the “Announcement on the Progress of Shareholding Increase by the Controlling Shareholder of China Telecom Corporation Limited”. From 22 September 2021 to 7 March 2022, China Telecommunications increased its shareholding in the Company by 466,948,944 A Shares in aggregate through the trading system of the SSE, representing 0.51% of the total issued shares of the Company. The cumulative amount of the shareholding increase was RMB2,009,939,616.73, which has exceeded 50% of the lower limit of the amount of the shareholding increase plan. After the implementation of the above-mentioned shareholding increase, China Telecommunications held 57,844,002,261 A Shares of the Company, representing 63.21% of the total issued shares of the Company. On 21 March 2022, the Company published the “Announcement on the Progress of Shareholding Increase by the Controlling Shareholder of China Telecom Corporation Limited and Half of the Period Passed for the Increase of Shareholding”. As at 21 March 2022, half of the period for the increase of shareholding has passed. From 22 September 2021 to 21 March 2022, China Telecommunications has increased its shareholding in the Company by 593,198,098 A Shares, representing 0.65% of the total issued shares of the Company, through the trading system of the SSE, for an aggregate amount of RMB2,515,805,248.38. After the above increase in shareholding, China Telecommunications held 57,970,251,415 A Shares of the Company, representing 63.35% of the total issued shares of the Company.



2. On 27 January 2022, the Company published the “Announcement on Measures of the Share Price Stabilisation of China Telecom Corporation Limited”. According to the “Proposal regarding the Price Stabilisation Plan of A Shares within Three Years Following the Initial Public Offering and Listing of RMB ordinary shares (A Shares) of China Telecom Corporation Limited”, China Telecommunications intended to take measures to stabilise share price by increasing its A Shares holding of the Company. China Telecommunications proposed to increase its holding in A Shares of the Company by the amount of not less than RMB500 million, as and when appropriate, during the twelve-month period from 28 January 2022. There is no price range for the shareholding increase. The source of funding for the increase will be self-owned capital fund. In view of the fair judgement on the Company’s share price, China Telecommunications would gradually implement the plan on shareholding increase taking into account of the fluctuations in the Company’s share price and the overall trend of the capital market.

SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS



1. CHANGES IN SHARE CAPITAL

Table of changes in shares

Unit: shares

	Before the change		Changes (+, -)					After the change	
	Quantity	Percentage (%)	Issue of new shares	Bonus issue	Transferred from reserves	Others	Subtotal	Quantity	Percentage (%)
(1) Shares with lock-up restrictions	73,224,400,408	80.02	-	-	-	(986,228,087)	(986,228,087)	72,238,172,321	78.94
1. State-owned shares	-	-	-	-	-	-	-	-	-
2. Shares held by state-owned legal persons	70,017,326,112	76.52	-	-	-	(4,315,791)	(4,315,791)	70,013,010,321	76.51
3. Shares held by other domestic shareholders	3,206,896,963	3.50	-	-	-	(981,734,963)	(981,734,963)	2,225,162,000	2.43
Of which: Shares held by domestic non-state-owned legal persons	3,196,714,289	3.49	-	-	-	(971,552,289)	(971,552,289)	2,225,162,000	2.43
Shares held by domestic natural persons	10,182,674	0.01	-	-	-	(10,182,674)	(10,182,674)	0	0.00
4. Shares held by foreign shareholders	177,333	0.0002	-	-	-	(177,333)	(177,333)	0	0.00
Of which: Shares held by overseas legal persons	177,333	0.0002	-	-	-	(177,333)	(177,333)	0	0.00
Shares held by overseas natural persons	-	-	-	-	-	-	-	-	-
(2) Shares without lock-up restrictions	18,282,738,291	19.98	-	-	-	986,228,087	986,228,087	19,268,966,378	21.06
1. RMB ordinary shares	4,405,328,291	4.81	-	-	-	986,228,087	986,228,087	5,391,556,378	5.89
2. Domestic-Listed Foreign-Invested Shares	-	-	-	-	-	-	-	-	-
3. Overseas-Listed Foreign-Invested Shares	13,877,410,000	15.17	-	-	-	-	-	13,877,410,000	15.17
4. Others	-	-	-	-	-	-	-	-	-
(3) Total number of shares	91,507,138,699	100.00	-	-	-	0	0	91,507,138,699	100.00

Explanation on changes in shares

On 15 February 2022, the Company published “the Announcement on the Release for Trading of Offline Allotted Shares of the Initial Public Offering of China Telecom Corporation Limited”, pursuant to which 986,228,087 lock-up shares allotted offline during the initial public offering of the Company were released for trading as the lock-up period expired on 21 February 2022 (as 20 February 2022 was a non-trading day, the date of release for trading was postponed to 21 February 2022).



SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

Changes in shares with lock-up restrictions

Unit: shares

Name of shareholder	Number of lock-up shares at the beginning of the period	Number of shares released during the Reporting Period	Increase in lock-up shares during the Reporting Period	Number of lock-up shares at the end of the Reporting Period	Reason for lock-up restrictions	Date of unlocking
China Telecommunications Corporation	57,377,053,317	0	0	57,377,053,317	Initial public offering	2024-08-20
Guangdong Rising Holdings Group Co., Ltd.	5,614,082,653	0	0	5,614,082,653	Initial public offering	2022-08-22
Zhejiang Provincial Financial Development Co., Ltd.	2,137,473,626	0	0	2,137,473,626	Initial public offering	2022-08-22
Fujian Investment & Development Group Co., Ltd.	969,317,182	0	0	969,317,182	Initial public offering	2022-08-22
Jiangsu Guoxin Group Limited	957,031,543	0	0	957,031,543	Initial public offering	2022-08-22
Strategic allotment	662,250,000	0	0	662,250,000	Lock-up for strategic allotment of the initial public offering	2024-08-20
Strategic allotment	4,520,964,000	0	0	4,520,964,000	Lock-up for strategic allotment of the initial public offering	2022-08-22
Offline allotment with restrictions	986,228,087	986,228,087	0	0	Lock-up for offline allotment of the initial public offering	2022-02-21
Total	73,224,400,408	986,228,087	0	72,238,172,321	/	/

2. INFORMATION ON SHAREHOLDERS

(1) Total number of shareholders

Total number of ordinary shareholders as at the end of the Reporting Period	690,674
Total number of holders of preference shares with reinstated voting rights as at the end of the Reporting Period	N/A



(2) Shareholdings of the top ten shareholders and the top ten shareholders of tradable shares (or shareholders of unrestricted shares) as at the end of the Reporting Period

Unit: shares

Shareholdings of the top ten shareholders

Name of shareholder (Full name)	Changes during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held with lock-up restrictions	Pledge, marking or freezing conditions		Nature of shareholder
					Status of shares	Quantity	
China Telecommunications Corporation	192,755,534	58,029,451,295	63.42	57,377,053,317	Nil	-	State-owned legal person
HKSCC Nominees Limited	(806,111)	13,847,330,512	15.13	0	Nil	-	Foreign legal person
Guangdong Rising Holdings Group Co., Ltd.	0	5,614,082,653	6.14	5,614,082,653	Nil	-	State-owned legal person
Zhejiang Provincial Financial Development Co., Ltd.	0	2,137,473,626	2.34	2,137,473,626	Nil	-	State-owned legal person
Fujian Investment & Development Group Co., Ltd.	0	969,317,182	1.06	969,317,182	Nil	-	State-owned legal person
Jiangsu Guoxin Group Limited	0	957,031,543	1.05	957,031,543	Nil	-	State-owned legal person
Suzhou High Speed Rail New Town Economic Development Co., Ltd	0	662,251,000	0.72	662,251,000	Nil	-	Unknown
Chengdu Vanguard Capital Management Limited – Chengdu Major Industrialisation Project Phase I Equity Investment Fund Limited	0	662,251,000	0.72	662,251,000	Nil	-	Unknown
China State-owned Enterprises Structural Adjustment Fund Co., Ltd	0	551,876,000	0.60	551,876,000	Nil	-	State-owned legal person
State Grid Yingda International Holdings Group Co., Ltd.	0	441,501,000	0.48	441,501,000	Nil	-	State-owned legal person



SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

Shareholdings of the top ten shareholders without lock-up restriction

Name of shareholder	Number of tradable shares held without lock-up restriction		Class and number of shares	Quantity
	lock-up restriction	Class		
HKSCC Nominees Limited	13,847,330,512	Overseas-listed foreign-invested shares	13,847,330,512	
China Telecommunications Corporation	652,397,978	RMB ordinary shares	652,397,978	
Bank of China – Yi Fang Da Steady Bond Securities Investment Fund	83,316,641	RMB ordinary shares	83,316,641	
Industrial and Commercial Bank of China – SSE 50 Trading Open-ended ETF	37,208,522	RMB ordinary shares	37,208,522	
National Social Security Fund 006 Portfolio	22,745,700	RMB ordinary shares	22,745,700	
Enterprise Annuity Plan of Industrial and Commercial Bank of China Limited – China Construction Bank Corporation	17,600,411	RMB ordinary shares	17,600,411	
Zheng Shenggui	15,447,056	RMB ordinary shares	15,447,056	
Hong Kong Securities Clearing Company Limited	13,126,421	RMB ordinary shares	13,126,421	
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Trading Open-ended ETF	12,281,500	RMB ordinary shares	12,281,500	
Li Jing	11,675,604	RMB ordinary shares	11,675,604	
Explanation on the securities account designated for share repurchase of the top ten shareholders		N/A		
Explanation on the voting rights entrusted by or waived by the above shareholders		N/A		
Description of connected relationship or acting in concert among the aforementioned shareholders		The Company is not aware of any connected relationship among the aforementioned shareholders or whether they act in concert.		
Description of the holders of preference shares with restored voting rights and their shareholding		N/A		



Shareholdings of the top ten shareholders with lock-up restrictions

Unit: shares

No.	Name of shareholders with lock-up restrictions	Number of shares held with lock-up restrictions	Listing and trading of shares with lock-up restrictions		
			Date of listing and trading	Number of new shares available for listing and trading	Lock-up restrictions
1.	China Telecommunications Corporation	57,377,053,317	2024-08-20	0	Lock-up for 36 months from the date of listing
2.	Guangdong Rising Holdings Group Co., Ltd.	5,614,082,653	2022-08-22	0	Lock-up for 12 months from the date of listing
3.	Zhejiang Provincial Financial Development Co., Ltd.	2,137,473,626	2022-08-22	0	Lock-up for 12 months from the date of listing
4.	Fujian Investment & Development Group Co., Ltd.	969,317,182	2022-08-22	0	Lock-up for 12 months from the date of listing
5.	Jiangsu Guoxin Group Limited	957,031,543	2022-08-22	0	Lock-up for 12 months from the date of listing
6.	Suzhou High Speed Rail New Town Economic Development Co., Ltd	662,251,000	2022-08-22	0	Lock-up for 12 months from the date of listing
7.	Chengdu Vanguard Capital Management Limited – Chengdu Major Industrialisation Project Phase I Equity Investment Fund Limited	662,251,000	2022-08-22	0	Lock-up for 12 months from the date of listing
8.	China State-owned Enterprises Structural Adjustment Fund Co., Ltd	551,876,000	2022-08-22	0	Lock-up for 12 months from the date of listing
9.	State Grid Yingda International Holdings Group Co., Ltd.	441,501,000	2022-08-22	0	Lock-up for 12 months from the date of listing
10.	China Publishing Group Corp.	220,750,000	2022-08-22	0	Lock-up for 12 months from the date of listing
11.	Zhongdianke Investment Holding Co., Ltd.	220,750,000	2022-08-22	0	Lock-up for 12 months from the date of listing



SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

No.	Name of shareholders with lock-up restrictions	Number of shares held with lock-up restrictions	Listing and trading of shares with lock-up restrictions		
			Date of listing and trading	Number of new shares available for listing and trading	Lock-up restrictions
12.	State Development & Investment Corporation	220,750,000	2022-08-22	0	Lock-up for 12 months from the date of listing
13.	China Energy Capital Holdings Co., Ltd	220,750,000	2022-08-22	0	Lock-up for 12 months from the date of listing
14.	China-Africa Development Fund	220,750,000	2022-08-22	0	Lock-up for 12 months from the date of listing
15.	Guoxin Investment Co., Ltd	220,750,000	2022-08-22	0	Lock-up for 12 months from the date of listing
16.	Huawei Technologies Co., Ltd	220,750,000	2024-08-20	0	Lock-up for 36 months from the date of listing
17.	FAW Share Capital Investment (Tianjin) Co., Ltd	220,750,000	2022-08-22	0	Lock-up for 12 months from the date of listing
Description of connected relationship or acting in concert among the aforementioned shareholders			The Company is not aware of any connected relationship among the aforementioned shareholders or whether they act in concert.		

(3) Strategic investors or general legal persons becoming top ten shareholders due to placing of new shares

Name of strategic investors or general legal persons	Start date of the agreed shareholding	End date of the agreed shareholding
Suzhou High Speed Rail New Town Economic Development Co., Ltd	20 August 2021	–
Chengdu Vanguard Capital Management Limited – Chengdu Major Industrialisation Project Phase I Equity Investment Fund Limited	20 August 2021	–
China State-owned Enterprises Structural Adjustment Fund Co., Ltd	20 August 2021	–
State Grid Yingda International Holdings Group Co., Ltd.	20 August 2021	–
Description of agreed term of shareholding in respect of strategic investors and general legal persons' participation in placing of new shares	Lock-up for 12 months from the date of listing	

SECTION VIII RELEVANT INFORMATION ON BONDS



CORPORATE BONDS, COMPANY BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

Basic information of company bonds

Unit: Yuan Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Balance of bonds	Interest rate (%)	Repayment method	Trading venues	Suitability arrangement for investors (if any)	Trading mechanism	Whether there is risk of termination of listing and trading
2020 company bonds (first tranche) publicly issued by China Telecom Corporation Limited	20 Telecom 01	163253	2020-03-09 (first issue date)	2020-03-10	2023-03-10	2,000,000,000	2.90	The interest of the bond is calculated annually without compound interest. Interest shall be paid once a year, and the principal shall be repaid in a lump sum upon maturity, and the last interest shall be paid together with the principal.	SSE	Debt securities traded to qualified investors	Bidding trading system and comprehensive electronic trading platform for fixed income securities	No



REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

To the Board of Directors of China Telecom Corporation Limited

(incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 58 to 87, which comprises the condensed consolidated statement of financial position of China Telecom Corporation Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2022 and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 16 August 2022

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

at 30 June 2022 (Amounts in million)

	Notes	30 June 2022 RMB	31 December 2021 RMB
ASSETS			
Non-current assets			
Property, plant and equipment, net	5	400,071	415,981
Construction in progress	5	70,392	51,456
Right-of-use assets		57,127	61,186
Goodwill		29,921	29,919
Intangible assets		18,215	19,753
Interests in associates and joint ventures	6	41,056	41,166
Financial assets at fair value through profit or loss		300	248
Equity instruments at fair value through other comprehensive income		1,012	1,216
Deferred tax assets	11	4,815	6,688
Other assets		7,849	7,261
Total non-current assets		630,758	634,874
Current assets			
Inventories		4,676	3,827
Income tax recoverable		125	437
Accounts receivable, net	7	36,651	22,389
Contract assets		1,957	912
Prepayments and other current assets		29,127	24,585
Short-term bank deposits and restricted cash		3,719	1,929
Cash and cash equivalents	8	76,836	73,281
Total current assets		153,091	127,360
Total assets		783,849	762,234



Condensed Consolidated Statement of Financial Position (Unaudited)

at 30 June 2022 (Amounts in million)

	Notes	30 June 2022 RMB	31 December 2021 RMB
LIABILITIES AND EQUITY			
Current liabilities			
Short-term debts	9	2,841	2,821
Current portion of long-term debts	9	3,135	6,280
Accounts payable	10	139,107	114,895
Accrued expenses and other payables		68,223	55,765
Contract liabilities		60,358	70,914
Income tax payable		2,840	588
Current portion of lease liabilities		11,362	13,809
Total current liabilities		287,866	265,072
Net current liabilities		(134,775)	(137,712)
Total assets less current liabilities		495,983	497,162
Non-current liabilities			
Long-term debts	9	4,921	7,395
Lease liabilities		26,937	28,593
Deferred tax liabilities	11	25,520	26,677
Other non-current liabilities		4,455	3,329
Total non-current liabilities		61,833	65,994
Total liabilities		349,699	331,066
Equity			
Share capital		91,507	91,507
Reserves		340,087	337,167
Total equity attributable to equity holders of the Company		431,594	428,674
Non-controlling interests		2,556	2,494
Total equity		434,150	431,168
Total liabilities and equity		783,849	762,234

The notes on pages 66 to 87 form part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the six-month period ended 30 June 2022 (Amounts in million except for per share data)

	Notes	Six-month period ended 30 June	
		2022 RMB	2021 RMB
Operating revenues	12	242,319	219,237
Operating expenses			
Depreciation and amortisation		(46,735)	(45,097)
Network operations and support	13	(70,051)	(63,909)
Selling, general and administrative		(32,026)	(28,740)
Personnel expenses	14	(44,618)	(39,685)
Other operating expenses	15	(25,776)	(20,555)
Total operating expenses		(219,206)	(197,986)
Operating profit		23,113	21,251
Net finance costs	16	(30)	(1,079)
Investment income and others		9	2,224
Share of profits of associates and joint ventures		833	1,019
Profit before taxation		23,925	23,415
Income tax	17	(5,572)	(5,549)
Profit for the period		18,353	17,866
Other comprehensive income for the period			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of investments in equity instruments at fair value through other comprehensive income		(205)	(6)
Deferred tax on change in fair value of investments in equity instruments at fair value through other comprehensive income		48	10
		(157)	4
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of financial statements of subsidiaries outside mainland China		354	(100)
		354	(100)
Other comprehensive income for the period, net of tax		197	(96)
Total comprehensive income for the period		18,550	17,770



Condensed Consolidated Statement of Comprehensive Income (Unaudited)

for the six-month period ended 30 June 2022 (Amounts in million except for per share data)

	Notes	Six-month period ended 30 June	
		2022 RMB	2021 RMB
Profit attributable to			
Equity holders of the Company		18,291	17,743
Non-controlling interests		62	123
Profit for the period		18,353	17,866
Total comprehensive income attributable to			
Equity holders of the Company		18,488	17,647
Non-controlling interests		62	123
Total comprehensive income for the period		18,550	17,770
Basic earnings per share (RMB)	19	0.20	0.22
Diluted earnings per share (RMB)	19	0.20	0.22
Number of shares (in million)	19	91,507	80,932

The notes on pages 66 to 87 form part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the six-month period ended 30 June 2022 (Amounts in million)

Notes	Attributable to equity holders of the Company										Total equity RMB
	Share capital RMB	Capital reserve RMB	Share premium RMB	Surplus reserves RMB	General			Retained earnings RMB	Total RMB	Non-controlling interests RMB	
					risk reserve RMB	Other reserves RMB	Exchange reserve RMB				
Balance as at 1 January 2021	80,932	17,468	10,746	79,854	56	321	(937)	175,016	363,456	2,719	366,175
Profit for the period	-	-	-	-	-	-	-	17,743	17,743	123	17,866
Other comprehensive income for the period	-	-	-	-	-	4	(100)	-	(96)	-	(96)
Total comprehensive income for the period	-	-	-	-	-	4	(100)	17,743	17,647	123	17,770
Contribution from non-controlling interests	-	463	-	-	-	-	-	-	463	594	1,057
Disposal of subsidiaries	-	-	-	-	(3)	(28)	-	31	-	(922)	(922)
Share of associates and joint ventures' other changes in reserves	-	33	-	-	-	-	-	-	33	-	33
Dividends	18	-	-	-	-	-	-	(8,439)	(8,439)	-	(8,439)
Balance as at 30 June 2021	80,932	17,964	10,746	79,854	53	297	(1,037)	184,351	373,160	2,514	375,674
Balance as at 1 January 2022	91,507	17,889	47,687	82,277	97	298	(1,170)	190,089	428,674	2,494	431,168
Profit for the period	-	-	-	-	-	-	-	18,291	18,291	62	18,353
Other comprehensive income for the period	-	-	-	-	-	(157)	354	-	197	-	197
Total comprehensive income for the period	-	-	-	-	-	(157)	354	18,291	18,488	62	18,550
Share of associates and joint ventures' other changes in reserves	-	(12)	-	-	-	-	-	-	(12)	-	(12)
Dividends	18	-	-	-	-	-	-	(15,556)	(15,556)	-	(15,556)
Balance as at 30 June 2022	91,507	17,877	47,687	82,277	97	141	(816)	192,824	431,594	2,556	434,150

The notes on pages 66 to 87 form part of the condensed consolidated interim financial information.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the six-month period ended 30 June 2022 (Amounts in million)

	Notes	Six-month period ended 30 June	
		2022 RMB	2021 RMB
Net cash from operating activities	(a)	65,097	67,635
Cash flows used in investing activities			
Capital expenditure		(27,183)	(26,843)
Purchase of investments		(85)	(83)
Payments for right-of-use assets		(104)	(1)
Proceeds from disposal of property, plant and equipment		169	448
Proceeds from disposal of right-of-use assets		10	26
Proceeds from disposal of investments		14	37
Net cash inflow from disposal of subsidiaries		–	3,764
Payments for equity instruments at fair value through other comprehensive income		–	(93)
Purchase of short-term bank deposits		(1,709)	(7,235)
Maturity of short-term bank deposits		159	8,812
Short-term loans granted to China Telecommunications Corporation by Finance Company	(b)	(6,000)	–
Net cash used in investing activities		(34,729)	(21,168)
Cash flows used in financing activities			
Repayments of principal of lease liabilities		(6,237)	(5,769)
Proceeds from bank and other loans		2,021	27,403
Repayments of bank and other loans		(7,555)	(46,519)
Payment of dividends		(13,197)	(8,439)
Distribution to non-controlling interests		(2)	–
Contribution from non-controlling interests		–	79
Net deposits with Finance Company	(b)	(1,996)	(1,472)
Increase in statutory deposit reserves placed by Finance Company	(b)	(175)	(237)
Net cash used in financing activities		(27,141)	(34,954)
Net increase in cash and cash equivalents		3,227	11,513
Cash and cash equivalents as at 1 January		73,281	23,684
Effect of changes in foreign exchange rate		328	(67)
Cash and cash equivalents as at 30 June		76,836	35,130

Condensed Consolidated Statement of Cash Flows (Unaudited)

for the six-month period ended 30 June 2022 (Amounts in million)

(a) RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH FROM OPERATING ACTIVITIES

	Six-month period ended 30 June	
	2022	2021
	RMB	RMB
Profit before taxation	23,925	23,415
Adjustment for:		
Depreciation and amortisation	46,735	45,097
Impairment losses for financial assets and other items, net of reversal	2,163	1,719
Write-down of inventories, net of reversal	73	12
Investment income and others	(9)	(2,224)
Share of profits of associates and joint ventures	(833)	(1,019)
Interest income	(805)	(306)
Net interest expense	940	1,397
Net foreign exchange gain and others	(105)	(12)
Net loss on retirement and disposal of long-lived assets	2,204	1,729
	74,288	69,808
Increase in accounts receivable	(16,042)	(12,923)
Increase in contract assets	(1,061)	(508)
Increase in inventories	(921)	(1,423)
Decrease in prepayments and other current assets	1,267	7
Increase in restricted cash	(61)	(9)
(Increase)/Decrease in other assets	(665)	396
Increase in accounts payable	7,275	6,014
Increase in accrued expenses and other payables	13,227	13,028
Decrease in contract liabilities	(10,598)	(4,016)
Cash generated from operations	66,709	70,374
Interest received	788	296
Interest paid	(1,114)	(1,567)
Investment income received	960	820
Income tax paid	(2,246)	(2,288)
Net cash from operating activities	65,097	67,635



Condensed Consolidated Statement of Cash Flows (Unaudited)

for the six-month period ended 30 June 2022 (Amounts in million)

- (b)** “Finance Company” refers to China Telecom Group Finance Co., Ltd., a subsidiary of the Company established on 8 January 2019, which provides capital and financial management services to the member units of China Telecommunications Corporation, the parent and ultimate holding company of the Company.

(c) SIGNIFICANT NON-CASH TRANSACTIONS

For the periods ended 30 June 2022 and 2021, the Group did not have significant non-cash investing and financing activities, except the additions of right-of-use assets and lease liabilities.

The notes on pages 66 to 87 form part of the condensed consolidated interim financial information.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six-month period ended 30 June 2022

1. PRINCIPAL ACTIVITIES

China Telecom Corporation Limited (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 10 September 2002. The Company and its subsidiaries (hereinafter, collectively referred to as the “Group”) is a leading and large-scale full-service and integrated intelligent information services provider, providing its individual, household, government and enterprise customers with integrated intelligent information services.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 (“IAS 34”), “*Interim Financial Reporting*” issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The condensed consolidated interim financial information, which was authorised for issuance by the Board of Directors on 16 August 2022, reflects the unaudited financial position of the Group as at 30 June 2022 and the unaudited results of operations and cash flows of the Group for the six-month period then ended, which are not necessarily indicative of the results of operations and cash flows expected for the year ended 31 December 2022.

The preparation of condensed consolidated interim financial information in conformity with IAS 34, “*Interim Financial Reporting*”, requires management to make judgments, estimates and assumptions about the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”). The condensed consolidated interim financial information should be read in conjunction with the Company’s 2021 annual financial statements. The Group’s policies on financial risk management were set out in the financial statements included in the Group’s 2021 Annual Report and there have been no significant changes in these policies for the six-month period ended 30 June 2022.

The condensed consolidated interim financial information is unaudited, but has been reviewed by the Audit Committee of the Company. The condensed consolidated interim financial information has also been reviewed by the Company’s international independent auditor in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”.

NOTES TO THE UNAUDITED CONDENSED
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for the six-month period ended 30 June 2022

2. BASIS OF PREPARATION (continued)

As at 30 June 2022, the total current liabilities of the Group had exceeded the total current assets by RMB134,775 million (31 December 2021: RMB137,712 million). Management of the Company has assessed the Group's available sources of funds as follows: 1) the Group's continuous net cash inflow to be generated from its operating activities; 2) the unutilised credit facilities amounting to RMB275,209 million (31 December 2021: RMB276,483 million); and 3) the Group's other available sources of financing from domestic banks in mainland China and other financial institutions in view of the Group's good credit history. Based on the above considerations, the Board of Directors is of the opinion that the Group has sufficient funds to meet its working capital commitments, expected capital expenditure and debt obligations. As a result, the condensed consolidated interim financial information of the Group for the six-month period ended 30 June 2022 has been prepared on a going concern basis.

2A. SIGNIFICANT EVENT IN THE CURRENT PERIOD

The Company filed a Form 15F with the U.S. Securities and Exchange Commission (the "SEC") on 25 February 2022 to deregister the American Depositary Shares (the "ADSs") and terminate its reporting obligation under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"). The deregistration and termination of reporting obligation therefore became effective 90 days after the filing as the application was neither withdrawn by the Company nor objected to by the SEC.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial information is prepared on the historical cost basis as modified by the revaluation of certain financial instruments which are measured at fair values.

Other than changes in accounting policies resulting from application of amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated interim financial information are the same as those followed in the preparation of the 2021 annual financial statements of the Group.

Application of amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to IFRSs issued by the IASB that are mandatorily effective for the current period:

Amendments to IAS 16, IFRS 3, IAS 37 and "Annual Improvements to IFRS Standards 2018-2020".

The application of the above amendments to IFRSs in the current period has had no material effect on the Group's condensed consolidated interim financial information.

NOTES TO THE UNAUDITED CONDENSED
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for the six-month period ended 30 June 2022

4. SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities from which revenues are earned and expenses are incurred, and is identified on the basis of the internal financial reports that are regularly reviewed by the chief operating decision maker in order to allocate resources and assess performance of the segment. For the periods presented, management has determined that the Group has one operating segment as the Group is only engaged in the integrated communications business. The Group's assets located outside mainland China and operating revenues derived from activities outside mainland China are less than 10% of the Group's assets and operating revenues, respectively. No geographical area information has been presented as such amount is immaterial. No single external customer accounts for 10% or more of the Group's operating revenues.

5. PROPERTY, PLANT AND EQUIPMENT, NET AND CONSTRUCTION IN PROGRESS

For the six-month period ended 30 June 2022, the Group acquired items of property, plant and equipment and construction in progress with an aggregate cost of RMB41,548 million (for the six-month period ended 30 June 2021: RMB27,031 million) and the depreciation of property, plant and equipment recognized in unaudited condensed consolidated statement of comprehensive income was RMB34,797 million (for the six-month period ended 30 June 2021: RMB34,739 million).

6. INTERESTS IN ASSOCIATES AND JOINT VENTURES

	30 June 2022	31 December 2021
	RMB million	RMB million
Cost of investment in associates and joint ventures	37,005	36,983
Share of post-acquisition changes in net assets	4,051	4,183
	41,056	41,166

NOTES TO THE UNAUDITED CONDENSED
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for the six-month period ended 30 June 2022

6. INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

The Group's interests in associates and joint ventures are accounted for under the equity method. Details of the Group's principal associates are as follows:

Name of company	Attributable equity interest	Principal activities
China Tower Corporation Limited (Note (i))	20.5%	Construction, maintenance and operation of telecommunications towers as well as ancillary facilities
Shanghai Information Investment Incorporation (Note (ii))	24.0%	Provision of information technology consultancy services

Notes:

- (i) China Tower Corporation Limited ("China Tower") is established and operated in the PRC, and listed on the Main Board of The Stock Exchange of Hong Kong Limited on 8 August 2018.
- (ii) Shanghai Information Investment Incorporation ("Shanghai Info-investment") is established and operated in the PRC and is not traded on any stock exchange.

7. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, are analysed as follows:

	Note	30 June 2022 RMB million	31 December 2021 RMB million
Third parties		40,740	25,067
China Telecom Group	(i)	2,123	1,889
China Tower		25	9
Other telecommunications operators in the PRC		754	475
		43,642	27,440
Less: Allowance for credit losses		(6,991)	(5,051)
		36,651	22,389

Note:

- (i) China Telecommunications Corporation together with its subsidiaries other than the Group are referred to as "China Telecom Group".

NOTES TO THE UNAUDITED CONDENSED
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for the six-month period ended 30 June 2022

7. ACCOUNTS RECEIVABLE, NET (continued)

Ageing analysis of accounts receivable from telephone and Internet subscribers based on the billing dates is as follows:

	30 June 2022 RMB million	31 December 2021 RMB million
Current, within 1 month	8,869	7,164
1 to 3 months	3,172	1,683
4 to 12 months	2,272	1,620
More than 12 months	1,642	1,079
	15,955	11,546
Less: Allowance for credit losses	(3,962)	(2,690)
	11,993	8,856

Ageing analysis of accounts receivable from other telecommunications operators and enterprise customers based on dates of rendering of services is as follows:

	30 June 2022 RMB million	31 December 2021 RMB million
Current, within 1 month	9,812	6,041
1 to 3 months	7,123	2,963
4 to 12 months	6,856	3,486
More than 12 months	3,896	3,404
	27,687	15,894
Less: Allowance for credit losses	(3,029)	(2,361)
	24,658	13,533

NOTES TO THE UNAUDITED CONDENSED
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for the six-month period ended 30 June 2022

8. CASH AND CASH EQUIVALENTS

	30 June 2022	31 December 2021
	RMB million	RMB million
Cash at bank and in hand	62,776	71,757
Time deposits with original maturity within three months	14,060	1,524
	76,836	73,281

9. SHORT-TERM AND LONG-TERM DEBTS

Short-term debts comprise:

	30 June 2022	31 December 2021
	RMB million	RMB million
Loans from banks – unsecured	2,841	2,821
Total short-term debts	2,841	2,821

The weighted average interest rate of the Group's total short-term debts as at 30 June 2022 was 3.5% (31 December 2021: 3.7%) per annum. As at 30 June 2022, the Group's loans from banks and other loans bear interests at rates ranging from 3.4% to 3.9% (31 December 2021: 3.3% to 4.4%) per annum, and are repayable within one year.

NOTES TO THE UNAUDITED CONDENSED
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for the six-month period ended 30 June 2022

9. SHORT-TERM AND LONG-TERM DEBTS (continued)

Long-term debts comprise:

	Notes	30 June 2022 RMB million	31 December 2021 RMB million
Loans from banks – unsecured	(i)	6,037	6,478
Other loans – unsecured		1	1
Medium-term notes – unsecured	(ii)	–	5,150
Company bonds – unsecured	(iii)	2,018	2,046
Total long-term debts		8,056	13,675
Less: Current portion		(3,135)	(6,280)
Non-current portion		4,921	7,395

Notes:

(i) The loans from banks include long-term RMB denominated government loans with below-market interest rates ranging from 1.08% to 1.20% per annum obtained by the Group through banks (the “Low-interest Loans”). The Group recognised the Low-interest Loans at their fair value on initial recognition, and accreted the discount to profit or loss using the effective interest rate method. The difference between the fair value and face value of the Low-interest Loans was recognised as government grants in accrued expenses and other payables and other non-current liabilities.

As at 30 June 2022, the loans from banks and other loans bear interests at contractual rates ranging from 1.08 % to 2.00% (31 December 2021: 1.08% to 2.30%) per annum with maturity through 2036.

(ii) On 22 January 2019, the Group issued three-year RMB denominated medium-term note, amounting to RMB3,000 million, with interest rate of 3.42% per annum, and incurred issuing costs of RMB3 million. The medium-term note is unsecured and has been fully repaid on 21 January 2022.

On 19 March 2019, the Group issued three-year RMB denominated medium-term note, amounting to RMB2,000 million, with interest rate of 3.41% per annum and incurred issuing costs of RMB3 million. The medium-term note is unsecured and has been fully repaid on 18 March 2022.

(iii) On 10 March 2020, the Group issued three-year RMB denominated company bonds, amounting to RMB2,000 million, to qualified investors in Shanghai Stock Exchange, with interest rate of 2.90% per annum. The company bonds are unsecured and are payable on 9 March 2023.

The Group’s short-term and long-term debts do not contain any financial covenants. As at 30 June 2022, the Group had unutilised credit facilities amounting to RMB275,209 million (31 December 2021: RMB276,483 million).

NOTES TO THE UNAUDITED CONDENSED
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for the six-month period ended 30 June 2022

10. ACCOUNTS PAYABLE

Accounts payable are analysed as follows:

	30 June 2022	31 December 2021
	RMB million	RMB million
Third parties	106,331	89,299
China Telecom Group	23,783	21,015
China Tower	8,196	3,914
Other telecommunications operators in the PRC	797	667
	139,107	114,895

Amounts due to China Telecom Group and China Tower are payable in accordance with contractual terms which are similar to those terms offered by third parties.

Ageing analysis of accounts payable based on the due dates is as follows:

	30 June 2022	31 December 2021
	RMB million	RMB million
Due within 1 month or on demand	20,821	20,293
Due after 1 month but within 3 months	25,693	23,965
Due after 3 months but within 6 months	45,630	36,338
Due after 6 months	46,963	34,299
	139,107	114,895

NOTES TO THE UNAUDITED CONDENSED
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for the six-month period ended 30 June 2022

11. DEFERRED TAX ASSETS AND LIABILITIES

The components of deferred tax assets and deferred tax liabilities recognised in the condensed consolidated statement of financial position before offsetting are as follows:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RMB million	RMB million	RMB million	RMB million
Accrued salaries, wages and other benefits	1,415	1,416	–	–
Depreciation, write-off and impairment of property, plant and equipment, etc.	6,198	5,905	(31,587)	(30,202)
Impairment losses of accounts receivable	1,589	1,140	–	–
Subscriber points reward program	1,000	1,058	–	–
Right-of-use assets and lease liabilities	783	845	–	–
Equity instruments at fair value through other comprehensive income	–	–	(103)	(151)
Deferred tax assets/(liabilities)	10,985	10,364	(31,690)	(30,353)

As at 30 June 2022, the offsetting amount of deferred tax assets and deferred tax liabilities was RMB6,170 million (31 December 2021: RMB3,676 million). As at 30 June 2022, net deferred tax assets and deferred tax liabilities after offsetting were RMB4,815 million (31 December 2021: RMB6,688 million) and RMB25,520 million (31 December 2021: RMB26,677 million), respectively.

The movements of deferred tax assets and deferred tax liabilities are as follows:

	Balance as at 1 January 2022	Recognised in condensed consolidated statement of comprehensive income	Balance as at 30 June 2022
	RMB million	RMB million	RMB million
Accrued salaries, wages and other benefits	1,416	(1)	1,415
Depreciation, write-off and impairment of property, plant and equipment, etc.	5,905	293	6,198
Impairment losses of accounts receivable	1,140	449	1,589
Subscriber points reward program	1,058	(58)	1,000
Right-of-use assets and lease liabilities	845	(62)	783
Deferred tax assets	10,364	621	10,985
Depreciation, write-off and impairment of property, plant and equipment, etc.	(30,202)	(1,385)	(31,587)
Equity instruments at fair value through other comprehensive income	(151)	48	(103)
Deferred tax liabilities	(30,353)	(1,337)	(31,690)

NOTES TO THE UNAUDITED CONDENSED
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for the six-month period ended 30 June 2022

12. OPERATING REVENUES**Disaggregation of revenues**

	Notes	Six-month period ended 30 June	
		2022 RMB million	2021 RMB million
Type of goods or services			
Service revenues		221,384	203,502
Mobile communications service revenues	(i)	98,956	93,342
Wireline and Smart Family service revenues	(ii)	59,871	57,350
Industrial Digitalisation service revenues	(iii)	58,932	50,113
Other service revenues	(iv)	3,625	2,697
Sales of goods and others	(v)	20,935	15,735
Total operating revenues		242,319	219,237
Revenues from customer contracts		239,349	216,555
Revenues from other sources and others		2,970	2,682
Total operating revenues		242,319	219,237
Timing of revenue recognition			
A point in time		18,835	14,044
Over time		223,484	205,193
Total operating revenues		242,319	219,237

Notes:

- (i) Represent primarily the aggregate amount of mobile communications service fees, mobile Internet access service fees, caller ID service fees and short messaging service fees, etc., charged to customers for the provision of mobile services.
- (ii) Represent primarily the aggregate amount of wireline communications service fees, broadband Internet access service fees, e-Surfing HD service fees and Smart Family applications service fees, etc., charged to customers for the provision of wireline services.
- (iii) Represent primarily the aggregate amount of fees charged to customers for the provision of Internet datacentre services, cloud service, digital platform services, dedicated Internet access services, etc.
- (iv) Represent primarily the aggregate amount of revenues from property rental and other revenues.
- (v) Represent primarily revenues from sales of mobile terminal equipment as well as wireline communications equipment and government grants.

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13. NETWORK OPERATIONS AND SUPPORT

	Note	Six-month period ended 30 June	
		2022	2021
		RMB million	RMB million
Operating and maintenance		42,654	37,848
Utility		9,102	8,109
Network resources usage and related fee	(i)	13,041	12,668
Others		5,254	5,284
		70,051	63,909

Note:

- (i) Network resources usage and related fee includes fee in respect of the short-term leases and leases of low-value assets, variable lease payments not depending on an index or a rate and fee for non-lease components in respect of communications towers and related assets lease and the usage of network resources provided by third parties.

14. PERSONNEL EXPENSES

Personnel expenses are attributable to the following functions:

	Six-month period ended 30 June	
	2022	2021
	RMB million	RMB million
Network operations and support	28,491	25,255
Selling, general and administrative	16,127	14,430
	44,618	39,685

NOTES TO THE UNAUDITED CONDENSED
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15. OTHER OPERATING EXPENSES

	Notes	Six-month period ended 30 June	
		2022 RMB million	2021 RMB million
Interconnection charges	(i)	6,348	6,059
Cost of goods sold	(ii)	18,519	13,682
Donations		4	–
Others	(iii)	905	814
		25,776	20,555

Notes:

- (i) Interconnection charges represent amounts incurred for the use of other domestic and foreign telecommunications operators' networks for delivery of voice and data traffic that originate from the Group's telecommunications networks.
- (ii) Cost of goods sold primarily represents cost of communications equipment sold.
- (iii) Others mainly include tax and surcharges other than value-added tax and income tax.

16. NET FINANCE COSTS

	Six-month period ended 30 June	
	2022 RMB million	2021 RMB million
Interest expense on short-term and long-term debts	278	749
Interest expense on lease liabilities	714	701
Less: Interest expense capitalised*	(52)	(53)
Net interest expense	940	1,397
Interest income	(805)	(306)
Net foreign exchange gain or loss and others	(105)	(12)
	30	1,079
*Interest expense was capitalised in construction in progress at the following rates per annum	3.4%-3.7%	3.3%-4.4%

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17. INCOME TAX

Income tax in the profit or loss comprises:

	Six-month period ended 30 June	
	2022	2021
	RMB million	RMB million
Provision for PRC income tax	4,709	3,281
Provision for income tax in other tax jurisdictions	99	119
Deferred taxation	764	2,149
	5,572	5,549

A reconciliation of the expected tax expense with the actual tax expense is as follows:

	Notes	Six-month period ended 30 June	
		2022	2021
		RMB million	RMB million
Profit before taxation		23,925	23,415
Expected income tax expense at statutory tax rate of 25%	(i)	5,981	5,854
Differential tax rate on mainland China subsidiaries' and branches' income	(i)	(316)	(334)
Differential tax rate on other subsidiaries' income	(ii)	(27)	(41)
Non-deductible expenses	(iii)	216	695
Non-taxable income	(iv)	(219)	(309)
Others	(v)	(63)	(316)
Income tax expense		5,572	5,549

Notes:

- (i) Except for certain subsidiaries and branches which are mainly taxed at the preferential rate of 15%, the provision for mainland China income tax is based on a statutory rate of 25% of the assessable income of the Company, its mainland China subsidiaries and branches as determined in accordance with the relevant income tax rules and regulations of mainland China.
- (ii) Income tax provisions of the Company's subsidiaries in Hong Kong and Macau Special Administrative Regions of the PRC, and in other countries are based on the subsidiaries' assessable income and income tax rates applicable in the respective tax jurisdictions which range from 8% to 35%.
- (iii) Amounts represent miscellaneous expenses in excess of statutory deductible limits for tax purposes.
- (iv) Amounts represent share of profits of associates and joint ventures and miscellaneous income which are not subject to income tax.
- (v) Amounts primarily represent settlement of tax filing differences of prior year annual tax return and other tax benefits such as additional tax deduction from research and development expenses.

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18. DIVIDENDS

Pursuant to a resolution passed at the Board of Directors' meeting on 16 August 2022, the Board of Directors has resolved to declare an interim dividend of RMB0.120 (equivalent to HK\$0.139523) per share (pre-tax) totalling approximately RMB10,975 million for the six-month period ended 30 June 2022. The interim profit distribution plan has been authorised to the Board of Directors by the shareholders at the Annual General Meeting for the year 2021. The dividend has not been provided for in the condensed consolidated financial statements for the six-month period ended 30 June 2022.

Pursuant to the shareholders' approval at the Annual General Meeting held on 19 May 2022, a final dividend of RMB0.170 (equivalent to HK\$0.197211) per share (pre-tax) totalling RMB15,556 million in respect of the year ended 31 December 2021 was declared. The dividend of RMB13,197 million for A shares was paid on 8 June 2022, and the dividend of RMB2,359 million for H shares was paid on 18 July 2022.

Pursuant to the shareholders' approval at the Annual General Meeting held on 7 May 2021, a final dividend of RMB0.104269 (equivalent to HK\$0.125) per share (pre-tax) totalling RMB8,439 million in respect of the year ended 31 December 2020 was declared, and paid on 1 June 2021.

19. EARNINGS PER SHARE

The calculation of basic earnings per share for the six-month period ended 30 June 2022 and 2021 is based on the profit attributable to equity holders of the Company of RMB18,291 million and RMB17,743 million, respectively, divided by 91,507,138,699 shares and 80,932,368,321 shares in issue.

The amount of diluted earnings per share equals basic earnings per share as there were no potential ordinary shares in existence for the periods presented.

20. CAPITAL COMMITMENTS

As at 30 June 2022 and 31 December 2021, the Group had capital commitments as follows:

	30 June 2022 RMB million	31 December 2021 RMB million
Contracted for but not provided		
Property	2,040	1,831
Telecommunications network plant and equipment	19,279	18,942
	21,319	20,773

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for the six-month period ended 30 June 2022

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets of the Group include cash and cash equivalents, bank deposits and restricted cash, equity instruments at fair value through other comprehensive income, accounts receivable, financial assets at fair value through profit or loss and financial assets included in prepayments and other current assets. Financial liabilities of the Group include short-term and long-term debts, accounts payable and financial liabilities included in accrued expenses and other payables.

Fair Value Measurements

Based on IFRS 13, “*Fair Value Measurement*”, the fair value of each financial instrument is categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3: fair values measured using valuation techniques in which any significant input is not based on observable market data

The fair values of the Group’s financial instruments (other than long-term debts and financial instruments measured at fair value) approximate their carrying amounts due to the short-term maturity of these instruments.

The listed equity securities investments included in the Group’s equity instruments at fair value through other comprehensive income are categorised as level 1 financial instruments. As at 30 June 2022, the fair value of the Group’s listed equity securities investments is RMB731 million (31 December 2021: RMB942 million), based on quoted market price on PRC stock exchanges. The Group’s investments in unlisted equity securities, included in financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income, are classified as financial instruments categorised as level 3. As at 30 June 2022, the fair value of the Group’s financial instruments categorised as level 3 is RMB581 million (31 December 2021: RMB522 million). For the financial instruments which are not traded in active markets, the Group establishes fair value by using valuation techniques. The valuation method or model used primarily include net asset value method and market comparable company model, etc. The input values of valuation models mainly include net asset value and expected yield rates, etc.

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**21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS
(continued)****Fair Value Measurements (continued)**

The fair value of long-term debts is estimated by discounting future cash flows using current market interest rates offered to the Group for debts with substantially the same characteristics and maturities. The fair value measurement of long-term debts is categorised as level 2. The interest rates used by the Group in estimating the fair values of long-term debts, having considered the foreign currency denomination of the debts, ranged from 2.9% to 4.9% (31 December 2021: 2.9% to 4.9%). As at 30 June 2022 and 31 December 2021, the carrying amounts and fair values of the Group's long-term debts were as follows:

	30 June 2022		31 December 2021	
	Carrying amount RMB million	Fair value RMB million	Carrying amount RMB million	Fair value RMB million
Long-term debts	8,056	8,001	13,675	13,444

During both periods, there were no transfers among instruments in level 1, level 2 or level 3.

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22. RELATED PARTY TRANSACTIONS**(a) Transactions with China Telecom Group**

The Group is a part of companies under China Telecommunications Corporation, a company owned by the PRC government, and has significant transactions and business relationships with members of China Telecom Group.

The principal transactions with China Telecom Group which were carried out in the ordinary course of business are as follows:

	Notes	Six-month period ended 30 June	
		2022 RMB million	2021 RMB million
Construction engineering and design services	(i)	7,232	5,569
Receiving ancillary services	(ii)	10,623	10,158
Interconnection revenues	(iii)	24	24
Interconnection charges	(iii)	50	64
Receiving community services	(iv)	1,838	1,649
Net transaction amount of centralised services	(v)	1,238	533
Property and land use right lease income	(vi)	15	17
Property and land use right lease related expenses	(vii)	355	197
Addition to right-of-use assets	(vii)	314	198
Interest expense on lease liabilities	(vii)	10	10
Provision of IT services	(viii)	675	434
Receiving IT services	(viii)	1,897	1,252
Purchases of telecommunications equipment and materials	(ix)	2,185	1,441
Sales of telecommunications equipment and materials	(ix)	2,300	1,827
Internet applications channel services	(x)	28	32
Interest expense on loans from China Telecom Group*	(xi)	–	310
Consideration received from disposal of subsidiaries	(xii)	–	4,072
Payment and digital finance related services	(xiii)	534	207
Others*	(xiv)	122	119
Net deposit by China Telecom Group with Finance Company*	(xv)	(1,996)	(1,472)
Interest expense on the deposit by China Telecom Group with Finance Company*	(xv)	110	83
Short-term loans granted by Finance Company to China Telecom Group	(xv)	6,000	–
Interest income from loans granted by Finance Company to China Telecom Group	(xv)	72	–

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22. RELATED PARTY TRANSACTIONS (continued)**(a) Transactions with China Telecom Group (continued)**

* *These transactions are conducted on normal commercial terms or better and are fully exempted from compliance with the reporting, announcement, independent shareholders' approval and/or annual review requirements under Rules 14A.76 or 14A.90 of the Listing Rules.*

Notes:

- (i) *Represent construction and engineering as well as design and supervisory services provided by China Telecom Group.*
- (ii) *Represent amounts paid and payable to China Telecom Group in respect of ancillary services such as repairs and maintenance of telecommunications equipment and facilities and certain customer services.*
- (iii) *Represent amounts received and receivable from/paid and payable to China Telecom Group for interconnection of local and domestic long distance calls.*
- (iv) *Represent amounts paid and payable to China Telecom Group in respect of cultural, educational, health care and other community services.*
- (v) *Represent net amount shared between the Company and China Telecom Group for costs associated with centralised services. The amount represents amounts received or receivable for the net amount of centralised services.*
- (vi) *Represent amounts of property lease fee received and receivable from China Telecom Group for leasing of properties and land use rights.*
- (vii) *Represent amounts in respect of the leasing of properties and land use rights from China Telecom Group, which include the fee for short-term leases, leases of low-value assets, variable lease payments not depending on an index or a rate, fee for non-lease components and interest expenses of right-of-use assets and lease liabilities recognized for leases.*
- (viii) *Represent IT services provided to and received from China Telecom Group.*
- (ix) *Represent the amount of telecommunications equipment and materials purchased from/sold to China Telecom Group and commission paid and payable for procurement services provided by China Telecom Group.*
- (x) *Represent amounts received and receivable from China Telecom Group in respect of Internet applications channel services, including the provision of communications channel and applications support platform and billing and deduction services, etc.*
- (xi) *Represent interest paid and payable to China Telecom Group with respect to the loans from China Telecom Group.*
- (xii) *Represent consideration received in respect of disposal of subsidiaries from China Telecom Group.*
- (xiii) *Represent amounts paid and payable to China Telecom Group in respect of payment and digital finance related services.*
- (xiv) *Represent amounts in respect of the leasing of related communications resources from China Telecom group and its subsidiaries, including transmission network communications resources, wireless network communications resources and wireline access network communications resources, etc.*
- (xv) *Represent amounts related to financial services provided by Finance Company to China Telecom Group, including lending service, deposit service and other financial services.*

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22. RELATED PARTY TRANSACTIONS (continued)**(a) Transactions with China Telecom Group (continued)**

Amounts due from/to China Telecom Group are summarised as follows:

	30 June 2022 RMB million	31 December 2021 RMB million
Accounts receivable	2,123	1,889
Contract assets	634	139
Prepayments and other current assets	8,795	2,716
Accounts payable	23,783	21,015
Accrued expenses and other payables	12,524	15,249
Contract liabilities	160	198
Lease liabilities	778	501

Amounts due from/to China Telecom Group, other than short-term loans granted by Finance Company included in prepayments and other current assets and deposit with Finance Company included in accrued expenses and other payables, bear no interest, are unsecured and are repayable in accordance with contractual terms which are similar to those terms offered by third parties.

(b) Transactions with China Tower

The principal transactions with China Tower are as follows:

	Notes	Six-month period ended 30 June 2022 RMB million	2021 RMB million
Tower assets lease related expenses	(i)	6,011	5,982
Addition to right-of-use assets	(i)	1,109	1,435
Interest expenses on lease liabilities	(i)	224	329
Provision of IT services	(ii)	15	17

Notes:

(i) Represent amounts in respect of the lease of tower assets. Tower assets lease related expenses include the variable lease payments not depending on an index or a rate and fee for non-lease components.

(ii) Represent IT and other ancillary services provided to China Tower.

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22. RELATED PARTY TRANSACTIONS (continued)**(b) Transactions with China Tower (continued)**

Amounts due from/to China Tower are summarised as follows:

	30 June 2022 RMB million	31 December 2021 RMB million
Accounts receivable	25	9
Prepayments and other current assets	194	45
Accounts payable	8,196	3,914
Accrued expenses and other payables	1,908	1,596
Contract liabilities	2	3
Lease liabilities	10,454	13,806

Amounts due from/to China Tower bear no interest, are unsecured and are receivable or repayable in accordance with contractual terms which are similar to those terms offered by third parties.

(c) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and supervisors of the Group.

Key management personnel compensation of the Group is summarised as follows:

	Six-month period ended 30 June 2022 RMB thousand	2021 RMB thousand
Short-term employee benefits	3,447	3,412
Post-employment benefits	444	561
	3,891	3,973

The above remuneration is included in personnel expenses.

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22. RELATED PARTY TRANSACTIONS (continued)**(d) Transactions with other government-related entities in the PRC**

The Group is a government-related enterprise and operates in an economic regime currently dominated by entities directly or indirectly controlled by the People's Republic of China through government authorities, agencies, affiliations and other organisations (collectively referred to as "government-related entities").

Apart from transactions with parent company and its fellow subsidiaries (Note 22(a)) and China Tower (Note 22(b)), the Group has transactions that are collectively but not individually significant with other government-related entities, which include but not limited to the following:

- rendering and receiving services, including but not limited to telecommunications services
- sales and purchases of goods, properties and other assets
- lease of assets
- deposit and borrowing
- use of public utilities

These transactions are conducted in the ordinary course of the Group's business on terms comparable to the terms of transactions with other entities that are not government-related. The Group prices its telecommunications services and products based on government-regulated tariff rates, where applicable, or based on commercial negotiations. The Group has also established procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

The directors of the Company believe the above information provides appropriate disclosure of related party transactions.

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23. POST-EMPLOYMENT BENEFITS PLANS

As stipulated by the regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal, autonomous regional and provincial governments for its employees. The Group is required to make contributions to the retirement plans at rates ranging from 14% to 20% of the salaries, bonuses and certain allowances of the employees. A member of the plan is entitled to a pension equal to a fixed proportion of the salary prevailing at the member's retirement date. Other than the above, the Group also participates in supplementary defined contribution retirement plans managed by independent external parties whereby the Group is required to make contributions to the retirement plans at fixed rates of the employees' salaries, bonuses and certain allowances. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

The Group's contributions to the above plans for the six-month period ended 30 June 2022 were RMB4,699 million (six-month period ended 30 June 2021: RMB4,237 million).

The amount payable for contributions to the above defined contribution retirement plans as at 30 June 2022 was RMB729 million (31 December 2021: RMB737 million).

24. EVENTS AFTER THE REPORTING PERIOD

The dividend of RMB2,359 million for H shares (Note 18) of the Company was paid on 18 July 2022.

Pursuant to a resolution passed at the Board of Directors' meeting on 16 August 2022, the Board of Directors has resolved to declare an interim dividend of RMB0.120 (equivalent to HK\$0.139523) per share (pre-tax) for the six-month period ended 30 June 2022, totalling approximately RMB10,975 million based on 91,507,138,699 shares in issue. The interim profit distribution plan has been authorised to the Board of Directors by the shareholders at the Annual General Meeting for the year 2021.



DIFFERENCES BETWEEN CHINESE ACCOUNTING STANDARD AND IFRSs

	Net Assets as at 30 June 2022 RMB million
Amount attributable to the shareholders of the parent company stated in the financial statements prepared in accordance with CASs	431,601
Adjustments as required by IFRSs	(7)
Amount attributable to equity holders of the Company stated in the financial statements prepared in accordance with IFRSs	431,594

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