Good afternoon media friends. For the sake of epidemic control and prevention, this presentation is still conducted in the form of conference call. Thank you for joining, and for your care and support to the Company.

This presentation has two sections. I will provide an overview first, then Mr. Li Zhengmao will go through the business review and financial performance.

We have six key development highlights in the first half of 2020:

1. Proactively tackled challenges and seized new opportunities to maintain solid results;
2. 5G promising start enhanced both subs scale and value;
3. Smart Family bore fruits with broadband value restored;
4. Industrial Digitalization unleashes new potential fueling future development;
5. Consolidate cloud-network integration edge and develop digitalized platform capabilities;

In the first half, the Company proactively responded to the challenges to the operations the epidemic outbreak caused, fully seized the new informatization demand in the society, expedited 5G scale commercialization, expanded integrated information services, and proactively promoted profitable scale development, leading to monthly improvement of operating results to a solid and stable one. Our revenue and profit growth maintained, of which service revenue was RMB187.1 billion, up 2.5% yoy; EBITDA and EBITDA margin were generally stable, net profit also maintained stable at RMB13.9 billion.
Slide 7: Business Development Rebounded Rapidly with Leading User Experience

Our operations in the first quarter was impacted by the epidemic, but then major KPIs rebounded in the second quarter as the epidemic was gradually under control. In particular, service revenue yoy growth substantially increased from 0.7% in Q1 to 4.3% in Q2; net profit growth achieved turnaround from -2.2% in Q1 to 2.2% in Q2; mobile service revenue up 2.0% qoq, broadband access revenue up 4.9% qoq, and Industrial Digitalization revenue up 3.9% qoq.

While striving to foster operating results rebound, we also continued to place high importance on service quality, achieving industry-leading overall user satisfaction.

Slide 8: Robust 5G Momentum

Our 5G business momentum remained robust. Scale development achieved solid results with 5G package subs reaching 37.84 million and an industry-leading penetration rate of 11%. 5G ARPU was RMB80.6, and there’s around 10% of ARPU uplift in 4G upgrading to 5G, demonstrating user value.

We continued to enrich 5G 2C content, with over 1,000 ultra HD and VR video content, hundreds of cloud games and various VR live broadcast content introduced.

2B use cases continued to flourish with over 1,100 benchmark industry 5G projects covering 8 key industries and over 300 use cases, and outstanding results particularly in industrial Internet, new media and smart healthcare and well received by enterprise customers.

Slide 9: Further Enhanced 5G Network and Service Capabilities

We continued to innovate 5G 2C products and optimize the membership scheme of “5G + Privileges + Applications” and expand the portfolio of relevant applications to enhance user experience. We also strengthen handset operation to further unleash market demand and facilitate scale development. On 2B, we combined cloud, Big Data, IoT, AI and other emerging information technologies to launch various innovative business models to match customers’ digitalization upgrade demand. We established extensive ecological cooperation systems for 5G business innovation and cooperation, and joint development of rich applications and content.

We persisted co-building and co-sharing in 5G network buildout. As at the end of June, we had nearly 210,000 5G BTS in use with contiguous coverage in over 50 key cities.
We will continue to extend co-build and co-share to lower network construction and maintenance costs.

We persisted SA as the target network architecture and 5G SA as the best practice of cloud-network integration. Our industry-leading technological achievements include a 200MHz-bandwidth 5G commercial network with peak speed at 2.7Gbps offering leading user experience in 5G speed, accelerated the construction of a nationwide SA network for commercial use, led the development and release of “5G SA Implementation Guidelines” globally, etc.

**Slide 10: Smart Family Bore Fruits with Broadband Value Restored**
We continued to expand Smart Family product and service portfolio and achieved strong business growth, with e-Surfing HD, Smart Family applications and services revenues grew by 16.9% and 131% respectively. These businesses integrated with and mutually promoted the broadband business, powerfully fueling the stabilization and even rebound of broadband revenue, which achieved turnaround in the first half of 2020 and achieved yoy growth.

The rapid development of Smart Family market effectively facilitated the value restoration of broadband subs. In the first half broadband access ARPU increased 4.6% hoh, while broadband blended ARPU increased 8.1% hoh and back to the same level as the first half of 2019, demonstrating the remarkably increasing value contribution by Smart Family.

**Slide 11: Industrial Digitalization Unleashes New Potential with Outstanding Capabilities of e-Surfing Cloud**
We promoted robust development of Industrial Digitalization by leveraging unique cloud-network integration edge with focus on new technologies such as 5G, cloud, IoT, AI, etc. Industrial Digitalization includes 5 major services, namely IDC, Industry Cloud, Network Dedicated Line, IoT and Internet Finance. In the first half, Industrial Digitalization revenue up 5.1% yoy to RMB42.9 billion, achieving an industry-leading revenue size.

We offer full range of cloud products. Our e-Surfing Cloud is already serving 500 thousand large and medium-sized enterprise customers and 50 million personal and family customers.

Overall Cloud revenue was RMB6.68 billion in the first half. e-Surfing Cloud remained
No. 1 in hybrid cloud enterprise ranking in the PRC, and attained 3 Best Practice Awards and 5 Outstanding Cases Awards in “Trusted Cloud Summit 2020”, showing widespread recognition in the market.

**Slide 12: Consolidate Cloud-network Leading Edges to Drive Industrial Digitalization**
We expedite the cloud-network integration strategy of “Cloud central, Network around, Network adaptive to cloud, Cloud and network as one”, and accelerated the unified cloud and IDC structure in “2+4+31+X” layout, and achieve high efficiency inter-cloud connection with CN2-DCI and OTN networks which cover all local networks and e-Surfing public cloud resource pools. Our cloud-network security system continued to strengthen, and we can provide cloud-based products and services for all scenarios with public, private, dedicated and hybrid clouds. Our powerful cloud-network unified resources provide strong support to the development of Industrial Digitalization.

**Slide 13: Industry-leading IDC Integrated Strengths**
We have extensive network infrastructure, in which we have the largest in number and most widely deployed IDC resources in the PRC. We have over 600 IDC sites and over 380,000 cabinets, 60% of which are in mega-/ large-scale datacentres. National average cabinets utilization rate was 70%, above industry average and has room for further expansion. Total outbound bandwidth of resource pools was over 21Tbps and latency was millisecond-grade.

We have mega-scale IDC parks in Inner Mongolia and Guizhou to satisfy nationwide large customers’ demand. We also have IDCs in the 4 major economically developed regions and consolidate provincial level cloud resources pools in key cities in 31 provinces across the PRC to satisfy localized business demands.

We will leverage our unique Internet access capability, extensive product portfolio, secure and reliable service assurance, and strong clientele to continue to strengthen our leading IDC competitive edge. We are the no. 1 in IDC business overall ranking in the PRC.

**Slide 14: Promote Cloudification and Digital Transformation for High-quality Development**
Witnessing the accelerated development of digital economy, we promoted full cloudification and digital transformation by accelerating the buildout of new infrastructure related to cloud-network integration. We constructed digitalized
platforms based on cloud-network unification which congregated capabilities in areas such as connectivity, cloud, security, payment, video, Big Data and AI, so as to empower internal operations, external ecosystems as well as our customers and partners to facilitate the Company's digital transformation. We also established a digitalized ecosystem that connects industry value chains and integrates with multiple industries. We launched market-oriented reform in enterprise service structure and professional companies, and promoted the formation of fundamental capabilities in professional aspects. We also proactively commenced open cooperation, stepped up creation of new growth drivers to fuel high-quality development.

**Slide 15: Focus on Industrial Digitalization and Deepen Enterprise Service Structure Reform**

Led by customer demand, we kick-started enterprise service structure reform with focus on hygiene and healthcare, digital government, smart city, industrial Internet, finance and other targeted markets to establish information service business groups targeting enterprise customers vertically integrating headquarters, provincial and municipal levels.

The headquarters strengthens professional organizations focusing on capabilities; the professional companies establish professional organizations focusing on industry to enhance fundamental capabilities, ecological cooperation and industry platforms. The provincial and municipal companies strengthen local specialist team for Industrial Digitalization and the power of system and service integration. We will form mechanism and system assurance, introduce market-oriented mechanisms, strengthen cross-sector capability coordination, enhance R&D and innovation of cloud-based and platform-based solutions, optimize employee structure and enhance capabilities, in order to drive healthy development for the Company.

**Slide 16: Leverage Capabilities of Digitalized Platform to Drive Internal Digital Transformation**

We leverage the capabilities of digitalized platform to drive internal digital transformation. By “data application, online, and cloud migration”, AI, Big Data and other technologies were applied in dedicated programs to reduce costs, empower sales and marketing, enhance service efficiency and user experience.

Internal digitalization will facilitate rapid change of development models and foster the completion of digitalized and integrated online-offline channel system, deepen value operation, enhance product and service qualities, promote data application, and
continue to increase quality and efficiency.

Internal digitalization will strengthen precision network investment and operation. AI-powered correlation analysis of massive data enables accurate planning of network construction and enhancement of network operation efficiency.

**Slide 17: Demonstrating Sense of Corporate Responsibility to Fight the Pandemic**

With the outbreak of the COVID-19 early this year, we were fully committed to the telecommunications and emergency assurance for epidemic prevention, and quickly activated 5G service for Huoshenshan and Leishenshan hospitals. We also provided 4K ultra HD live 5G cloud broadcast of the construction of the hospitals which received widespread attention. We further established 5G HD video connection to enable remote diagnostics and consultation between hospitals in Wuhan and other cities. Furthermore, we proactively undertook social responsibilities and contributed our effort in employee protection, customer service, giving to society and strengthening investor confidence, demonstrating sense of corporate responsibility.

My part ends here, and Mr. Li Zhengmao will walk you through our business and financial performance.

**Speaker: Mr. Li Zhengmao, Executive Director, President & COO**

**Slide 18: Business Review and Financial Performance**

Thank you Chairman. I shall now discuss our business and financial performance in the first half of 2020.

**Slide 19: Mobile Business: Enhancing Scale and Quality**

In the first half, our mobile business enhanced in both scale and quality. In scale development, our mobile service revenue and handset Internet access revenue both achieved industry-leading growth rates at 2.5% and 6.4% yoy respectively. We were also the only operator achieving positive mobile subs growth in the first half. Mobile ARPU turned around from the previous declining trend, rebounding from 2H19 to RMB44.4, denoting result of customer value restoration. We will persist dual emphasis on scale and quality, continue to optimize customer privilege system, enrich product and content, commence extensive cooperation in innovation, enhance online/offline full channel sales capability and strive to enhance the value of our
mobile business.

**Slide 20: Smart Family: Fast Growing Application Revenue**

In the first half, our Smart Family business maintained rapid development with revenues of e-Surfing HD, Whole-home WiFi, Family Cloud and e-Surfing Webcam remarkably increased by 16.9%, 87.4%, 147% and 6.52 times yoy respectively.

We deeply explored the potential of family informatization market from our 154 million broadband subscribers to ignite explosive scale growth of Smart Family applications and services. No. of Whole-home Wifi subs increased by 120%, Family Cloud subs by 45%, Smart Family platform connected devices by 76%, and e-Surfing Webcam by even 94 times, indicating our successful capturing of the immense demand of family informatization services.

With a view to establish the integrated competitive edge with Smart Family applications on top of premium Gbps access, we will continue to drive the integration and mutual promotion of broadband and Smart Family, to further enhance Gbps access service with 5G + fibre broadband + WiFi6, and to strengthen content operation and promotion.

**Slide 21: Industrial Digitalization: Solid Revenue Growth**

We will capture the opportunities of Industrial Digitalization with a focus on targeted markets and leverage the cloud-network integration edge to serve the development of Industrial Digitalization. In the first half, our Industrial Digitalization service achieved solid growth and industry-leading scale. Revenue of Industrial Digitalization was RMB 42.9 billion, up 5.1% yoy. In which, IDC revenue up 11.9% yoy, Industry Cloud up 30.4% yoy, and Network Dedicated Line up 4.6% yoy. Enterprise customer development showed strong momentum, as no. of new acquired enterprise orders in the second quarter skyrocketed by 83% and revenue increased 3.9% qoq after the temporary slowdown in the first quarter. We will continue to strengthen the edges of various 2B businesses to facilitate the continuous development of Industrial Digitalization.

**Slide 22: Precision Initiatives to Enhance Cost Efficiency**

In the first half, we continued to optimize cost structure. Tower usage fee and electricity cost increased due to scaled up 5G construction and operation; we appropriately increased initiatives for capability to support Industrial Digitalization development; increased incentives for high-tech talents, frontline employees and high
performance teams to motivate vitality; continued optimization of sales model, enhanced online/offline full channel operation capability, strengthened precision sales initiatives, resulting in effective control of selling expense; expanded R&D input to step up core capability formation.

**Slide 23: Increased Utilization on Key Resources**
We carried out precision management and our selling expense, unit electricity cost and unit maintenance cost dropped substantially, while tower sharing ratio, FTTH port utilization rate and wireline terminal recycle rate increased. Our strenuous effort in management and resource efficiency paid off.

**Slide 24: Precision Investment to Reinforce Cloud-network Integration Edge**
CAPEX in first half was RMB43.1 billion, in which 5G CAPEX was RMB20.2 billion, with 80,000 5G base stations installed and activated, and we have nearly 210,000 5G base stations in use by co-building and co-sharing with China Unicom. Our investment focus will be on Industrial Digitalization and cloud-network integration, to support new generation 2C, 2H and 2B informatization demands.

**Slide 25: Enhanced Financial Strength**
Our financial strength continued to enhance, with efficiently-centralized capital management reducing interest-bearing debts. Debts maintained at healthy levels, as total debt decreased by 35.3% yoy, while total debt to total capitalization dropped 5.9p.p. to 12.2%, and finance expenses also reduced by 23.6%. The solid financial capacity is poised to strongly support our sustainable development in future.

**Slide 26: 2H2020 Key Targets**
In the second half, we will strive to maintain healthy service revenue growth, maintain profitability and stable dividend. For 5G and mobile business, we will maintain mobile momentum with dual emphasis on quantity and quality for value and quality enhancement. Our 2020 target is 15 million mobile subs net add and 80 million 5G package subs net add. For broadband and Smart Family, we will focus on family informatization development with stepped up effort on broadband and Smart Family service upgrade, with a target of 5 million broadband subs net add in 2020. For Industrial Digitalization, we will expedite transformation into cloud-centric Industrial Digitalization development model, with Industrial Digitalization revenue targeted to achieve double-digit growth.

This concludes our presentation today. Thank you!
Forward-Looking Statements
Certain statements contained in this document may be viewed as “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934 (as amended). Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of China Telecom Corporation Limited (the “Company”) to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, we do not intend to update these forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company’s most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the “SEC”) and in the Company’s other filings with the SEC.

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