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## **China Telecom Corporation Limited**

### **中国电信股份有限公司**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 728)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **HIGHLIGHTS**

- The Company's operating revenues amounted to RMB271.5 billion, representing an increase of 1.3% year-on-year. Of which, service revenues amounted to RMB249.1 billion, representing an increase of 1.2% year-on-year. EBITDA amounted to RMB80.6 billion, representing an increase of 4.9% year-on-year. Net profit amounted to RMB23.0 billion, representing an increase of 5.5% year-on-year. The basic earnings per share were RMB0.25
- The Company continued to promote the integrated development driven by the innovation-led dual engines of its fundamental businesses and Industrial Digitalisation business, with its fundamental businesses growing steadily and strategic emerging businesses developing rapidly
- Mobile communications service revenues amounted to RMB106.6 billion, representing an increase of 1.3% year-on-year
- Wireline and Smart Family service revenues amounted to RMB64.1 billion, representing an increase of 0.2% year-on-year
- Revenue from Industrial Digitalisation reached RMB74.9 billion, and AIDC revenues increased by 7.4% year-on-year. Revenue from key strategic emerging products maintained rapid growth, with revenue from China Telecom Cloud reaching RMB57.3 billion. Intelligent revenues reached RMB6.3 billion, representing an increase of 89.4% year-on-year. Revenue from the security business reached RMB9.1 billion, representing an increase of 18.2% year-on-year. Internet of Video Things (IoVT) revenues increased by 46.2% year-on-year, satellite revenues increased by 20.5% year-on-year, and quantum revenues increased by 171.1% year-on-year
- The Board of Directors has decided to continue distributing an interim dividend in 2025, with the profit to be distributed in cash representing 72% of the profit attributable to equity holders of the Company for the first half of the year, i.e., RMB0.1812 per share (pre-tax), representing an increase of 8.4% year-on-year. It is intended that the proportion of profit to be distributed in cash by the Company to profit attributable to equity holders in 2025 would be further increased compared to 2024, thereby continuously creating greater value for shareholders

## CHAIRMAN’S STATEMENT

At present, a new round of sci-tech revolution and industrial transformation is developing rapidly, and artificial intelligence is profoundly changing human production and lifestyles, becoming an important driving force for promoting high-quality economic and social development. As artificial intelligence enters the first year of large-scale application, AI applications such as large models and agents are accelerating their adoption and deep integration across various fields, supporting the transformation and upgrading of traditional industries and opening new tracks for the development of strategic emerging industries and future industries, ushering in vast opportunities for industry development. In the first half of 2025, the Company completely, accurately, and comprehensively implemented the new development principles, resolutely fulfilled its responsibilities in building China’s strength in cyberspace, science and technology, Digital China, as well as safeguarding network and information security. By accurately grasping the trends in sci-tech innovation and industrial development, the Company fully embraced artificial intelligence, promoted the upgrade of its corporate strategy from “Cloudification and Digital Transformation” to “Cloudification, Digital Transformation and AI for Good”, and continuously advanced its high-quality development.

### 1. Overall results

In the first half of 2025, the Company’s operating revenues amounted to RMB271.5 billion, representing an increase of 1.3% year-on-year. Of which, service revenues<sup>1</sup> amounted to RMB249.1 billion, representing an increase of 1.2% year-on-year. EBITDA<sup>2</sup> amounted to RMB80.6 billion, representing an increase of 4.9% year-on-year. Net profit<sup>3</sup> amounted to RMB23.0 billion, representing an increase of 5.5% year-on-year. The basic earnings per share were RMB0.25. Capital expenditure was RMB34.2 billion. Free cash flow<sup>4</sup> reached RMB13.1 billion, representing an increase of 13.9% year-on-year.

<sup>1</sup> Service revenues are calculated based on operating revenues minus sales of mobile terminals, sales of wireline equipment and other non-service revenues

<sup>2</sup> EBITDA is calculated based on operating revenues minus operating expenses plus depreciation and amortisation

<sup>3</sup> Net profit represents profit attributable to equity holders of the Company

<sup>4</sup> Free cash flow = Net cash from operating activities – Capital expenditure

The Company continued to promote the integrated development driven by the innovation-led dual engines of its fundamental businesses and Industrial Digitalisation business, with its fundamental businesses growing steadily and strategic emerging businesses developing rapidly. In the first half of 2025, the Company's mobile communications service revenues amounted to RMB106.6 billion, representing an increase of 1.3% year-on-year; Wireline and Smart Family service revenues amounted to RMB64.1 billion, representing an increase of 0.2% year-on-year. The number of mobile subscribers reached 433 million, and the number of broadband subscribers reached 199 million. Mobile ARPU<sup>5</sup> reached RMB46.0, and broadband blended ARPU<sup>6</sup> reached RMB48.3. Revenue from Industrial Digitalisation reached RMB74.9 billion, and AIDC revenues increased by 7.4% year-on-year. Revenue from key strategic emerging products maintained rapid growth, with revenue from China Telecom Cloud reaching RMB57.3 billion. Intelligent revenues<sup>7</sup> reached RMB6.3 billion, representing an increase of 89.4% year-on-year. Revenue from the security business reached RMB9.1 billion, representing an increase of 18.2% year-on-year. Internet of Video Things (IoVT) revenues increased by 46.2% year-on-year, satellite revenues increased by 20.5% year-on-year, and quantum revenues increased by 171.1% year-on-year.

The Company attaches great importance to shareholder returns, continuously strengthens market value management, promotes the growth of market value and enterprise value, and strives to enhance its profitability and cash flow generation capabilities. The Board of Directors has decided to continue distributing an interim dividend in 2025, with the profit to be distributed in cash representing 72% of the profit attributable to equity holders of the Company for the first half of the year, i.e., RMB0.1812 per share (pre-tax), representing an increase of 8.4% year-on-year. It is intended that the proportion of profit to be distributed in cash by the Company to profit attributable to equity holders in 2025 would be further increased compared to 2024, thereby continuously creating greater value for shareholders.

<sup>5</sup> Mobile ARPU = monthly average revenues from mobile services/the average number of mobile subscribers

<sup>6</sup> Broadband blended ARPU = monthly average revenues from broadband access and Smart Family/the average number of broadband subscribers

<sup>7</sup> Intelligent revenues include the revenue from artificial intelligence and intelligent computing services provided to customers

## **2. Seizing opportunities to gain strategic initiative and making solid strides towards the high-quality development of the Company**

### **2.1 *Completing the construction of intelligent cloud system and deeply promoting the “AI+” initiative***

With the No. 1 technology “Xirang” as the core, the Company completed the construction of intelligent cloud system, leveraging cloud-network integration to provide integrated intelligent cloud services encompassing “computing power + platform + data + model + application”. At the IaaS layer, the Company continued to optimise the computing power supply structure, with the total scale of self-owned and accessed computing power reaching 77 EFLOPS, providing heterogeneous computing power services covering general computing, intelligent computing, supercomputing and quantum computing. At the PaaS layer, the Company accelerated the upgrade of its intelligent computing platform, providing one-stop computing power scheduling and AI development services, efficiently meeting customers’ needs for training and inference scenarios. At the DaaS layer, the Company built the “Xinghai” data intelligent middle platform to promote the deep integration of proprietary datasets, open-source datasets, and third-party datasets, aggregating over 10 trillion tokens of general large model corpus data and datasets from 14 industries, with a total volume exceeding 350TB. At the MaaS layer, the Company built a full-modal, full-size, and fully homegrown Xingchen large model. Third-party foundational large models and various industrial large models were actively introduced to meet the diverse needs for large model selection and application scenario innovation. At the SaaS layer, focusing on the digital needs of production, life, and governance, the Company created standardised AI products and launched industrial large model and agent services for scenario-based demands, serving the smart life of individual household subscribers and empowering the digital transformation of enterprise production and governance. In addition, the Company released Agent as a Service (AaaS) and Terminal as a Service (TaaS) systems, empowered the intelligent transformation and upgrading of industries, and popularised the applications of artificial intelligence.

To continuously meet customers' diversified, multi-level, and personalised AI needs, the Company accelerated the promotion of business intelligence integration and upgrades. For government and business customers, the Company accelerated the empowerment of the digital and intelligent transformation of industries through intelligent cloud services, continuously facilitating industrial upgrades. The transformation of IDC to AIDC has also been expedited, providing customers with secure, reliable, intelligent, agile, and green low-carbon computing services. Over 80 industrial large models and more than 30 agents have been developed to serve over 20,000 industry customers. The Company continuously advanced the "State-owned Central Enterprise AI+" special expansion, collaborating with over 30 state-owned central enterprises to build AI+ application benchmarks, and unveiling the "AI+" Action Demonstration Base for State-owned Central Enterprises in Tianjin. Accelerating the integration of intelligence into 5G customised networks, the Company has independently developed applications such as 5G industrial control agents to meet enterprises' needs for AI energy conservation and AI quality inspection. In parallel, the construction of industry digital platforms has been expedited, with over 120 digital platforms continuously empowering key industry customers in their digital transformation. For individual and home customers, the Company accelerated the intelligent upgrade of terminals, released the self-developed XingXiaochen agent to empower the intelligent upgrade of terminals, and expedited the large-scale development of intelligent terminals such as AI anti-fraud phones and AI central monitors. Focusing on frontier areas, it vigorously developed more varieties of intelligent terminals. The Company accelerated the innovation and upgrade of applications, promoted the intelligent renewal of personal applications such as Colour Ringback Tone with Video through AI iteration, and further upgraded the "Beautiful Home" product system, delivering customers with brand-new smart experience, and allowing subscribers to enjoy multi-scenario smart home applications such as safe home, healthy home, entertainment home, low-carbon home, and intelligent home. The Company accelerated the intelligent upgrade of platforms, and on the basis of continuously promoting the integration of platforms such as Digital Village, Smart Community, and Smart Family, it further leveraged AI IoVT and AI IoT to accelerate the intelligent upgrade and content enrichment of platforms, continuously enriching new scenarios for intelligent living.

The Company deeply advanced AI technology empowerment, creating over 160 AI applications across 21 key areas, and effectively driving cost reduction while enhancing quality and efficiency. In terms of customer management, the upgrade of whole-chain precision marketing was driven through AI, and the Company built the marketing agent based on the large model for customer management, which covered scenarios including AI-aided opportunity exploration, customer insight, and smart recommendation, serving about 60,000 frontline employees, and recording more than 20 million calls per month. In terms of customer service, the Company promoted the embedding of intelligent service capabilities into the 10000 hotline, continuously iterated and upgraded the application scenarios of the large customer service model. The proportion of intelligent customer service reached 87.5%, effectively enhancing customer perception and maintaining an industry-leading level of overall satisfaction. In terms of channel operations, “AI + full-service digital stores” covered 12,000 self-operated business halls, accelerating the transformation of offline stores from traditional experiential marketing to AI intelligent marketing. The Company upgraded the online sales model with an “AI + live streaming” approach, with AI live streaming digital humans providing 24/7 uninterrupted live streaming services. In terms of network operations, the Company comprehensively enhanced the automation and intelligence level of cloud network operations, launched 29 high-value scenario L4 pioneer actions, and created 23 types of digital employees based on the network large model. The number of faulty work orders reduced by 9.8%, the work order processing time reduced by 13%, and the fault handling time for home broadband installation and maintenance agents reduced by 8.7%.

The Company continued to optimise the supply of “Quantum+” product capabilities, continuously promoted “Quantum+” empowerment across various industries, and reinforced its leadership in the quantum industry market. In quantum communication, quantum-encrypted messages have achieved full coverage of six mainstream systems, taking the lead in passing the network security protection capability completeness assessment of the software platform under the “Foundation Building Program” of China Academy of Information and Communications Technology, while quantum-encrypted calls and quantum intercoms continued to enrich the application ecosystem, fully adapting to mainstream terminals. The user base for quantum communication has surpassed 6 million, serving over 3,000 industry clients in sectors such as government affairs, finance, and energy. In quantum computing, the Company achieved the commercialisation of three major application scenarios being, quantum computing real-machine deployment, cloud platform applications, and quantum information education, and implemented multiple major projects. In quantum measurement, the commercialisation and market application of quantum precision measurement technology products accelerated, with strong demand for applications in typical scenarios such as low-altitude detection and exploration.

## ***2.2 Striving for innovation and development, accelerating the construction of a leading sci-tech enterprise***

The Company continued to promote high-level self-reliance and self-improvement in science and technology, accelerate breakthroughs in key core technologies, and strengthen the supply of high-quality science and technology. It has been included in the list of outstanding enterprises of sci-tech innovation among state-owned central enterprises for two consecutive years. The Company comprehensively promoted AI-



oriented technological innovation from underlying infrastructure to upper-layer applications, and its self-developed China Telecom Cloud server operating system has passed the national security and reliability assessment. The Company achieved breakthroughs in key technologies such as computing power integrated scheduling and training/inference acceleration, and put forward the innovative proposal of the Triless architecture, achieving a triple decoupling of resources, frameworks, and tools. Such breakthroughs promoted interconnected and interoperable diverse computing power across service providers, regions, and architectures, helping the Company secure the first place once again in China's computing power interconnection scheduling market and maintain its leadership in China's intelligent computing cloud service market<sup>8</sup>. Through continuously upgrading the Company's Xingchen multimodal large model, developing human-like natural conversation capabilities, and innovatively proposing full-modal, explainable deepfake detection capabilities, the Company has won the championship in AI deepfake detection at ICCV 2025 and IJCAI 2025. By innovatively building the AI Flow technology system and tackling three key technologies, key breakthroughs were made in generative intelligent transmission, homologous model and intelligent emergence based on connections and interactions, thereby promoting the deep integration of communication, network, and artificial intelligence. A high-performance privacy computing protocol cluster was developed, successfully overcoming the performance bottleneck of joint computing involving tens of billions of massive data. This achievement earned the Company the "Wu Wenjun AI Science and Technology Progress Award". Key technologies for constructing and governing high-quality dataset were successfully tackled, with the Company's "Network Large Model" and "Urban Governance" datasets being selected as "Outstanding Construction Achievements of High-Quality Datasets in the State-owned Central Enterprise AI Industry". The world's first distributed cryptographic system integrating QKD<sup>9</sup> and PQC<sup>10</sup> was released by the Company. Additionally, the Company pioneered the industry's first cloud-network-endpoint collaborative anti-DDoS technology and launched China's first open source large model foundational security guardrail with protection capability reaching an industry-leading level. The Company continued to deepen basic theoretical research, with its research on a new framework for generative coding images based on diffusion models winning the only "Best Paper Award" at ICME 2025. It has also built high-level scientific and technological innovation infrastructures, with its large-scale sci-tech innovation facility for cloud-network integration being included in the pilot test and verification platform for state-owned central enterprises. Furthermore, the Company consistently developed patents of high quality and high standards, with its 5G patents winning the Silver Patent Award in the 25th China Patent Award selection.

<sup>8</sup> Source: CCID Consulting

<sup>9</sup> QKD: Quantum Key Distribution, which refers to the remote key distribution leveraging the physical properties of quantum such as indivisibility, non-replication, and uncertainty

<sup>10</sup> PQC: Post Quantum Cryptography, which refers to cryptographic technologies and relevant algorithms capable of resisting quantum computer attacks



### ***2.3 Leveraging the advantages of cloud-network integration and expediting the intelligent upgrade of digital information infrastructure***

Adhering to the principle of network as the foundation, cloud as the core, the Company fully leveraged the advantages of cloud-network integration, seizing the direction of intelligent development, especially adapting to the network requirements arising from the traffic and flow patterns in the AI era, and accelerating the intelligent upgrade of the digital information infrastructure to provide a solid foundation for the development of artificial intelligence. The Company moderately and pre-emptively deployed computing power infrastructure, and continuously promoted the construction of reasoning pools based on market demand. Building on the clusters with ten thousand GPUs in the Beijing-Tianjin-Hebei region and the Yangtze River Delta, the Company vigorously introduced new technology and built hyper-node topology clusters in the Guangdong-Hong Kong-Macao Greater Bay Area hub nodes. This has enabled a dual enhancement in both the quality and quantity of intelligent computing supply, with self-owned intelligent computing power reaching 43 EFLOPS, alongside extensive integration of partner computing power. The Company built a new generation of AIDC with a “centre + edge” hierarchical layout and triple elastic upgrades in space, cooling, and power supply, effectively adapting to the functional partitioning of intelligent computing services and wide power fluctuations. The number of datacentre cabinets exceeded 580,000, with the eight major hub nodes accounting for 85%. The Company built a holistic smart computing network system integrating cloud-edge-device resources, with collaborative Access-Compute, Inter-Compute, and Intra-Compute networks, launched China’s first 400G quantum secure OTN encrypted computing-connected dedicated line, accelerated the construction of new metropolitan networks, and advanced the renewal and upgrade of backbone optical cables and the trial commercial use of hollow-core optical cables. These efforts have enabled the Company to efficiently meet diverse intelligent computing demands such as real-time inference and large-scale training. Furthermore, the Company also promoted the upgrade and evolution of networks to achieve ultra-high speed and large capacity. The number of 10G PON ports of Gigabit fibre network exceeded 9.88 million, with a coverage of over 96% of gigabit residential areas in cities and towns. The Company comprehensively deepened co-building and co-sharing, continuously enhancing industry value, and building a high-quality network with high-/mid-/low-band coordination as well as 4G/5G integration. The total number of 5G mid-/high-band base stations reached 1.49 million, and low-band base stations reached 880,000. The Company continued to promote the upgrade of 5G-A network capabilities, having deployed 100,000 5G-A carrier aggregation base stations and 600,000 Redcap base stations in over 300 cities.

## **2.4 *Empowering green initiatives, safeguarding security, and promoting green and secure economic and social development***

The Company actively practised the concept of green development, driving a two-digit decrease in the carbon emissions per unit of total volume of telecommunications services, and ranking among the top central enterprises in the “Central Enterprise Green Development Evaluation”. Accelerating the green transformation of digital information infrastructure, the Company implemented green renovation of facility buildings and green upgrades of base stations, while advancing the innovative application of green energy-saving technologies such as liquid cooling and AI. AI energy-saving initiatives covered over 5.96 million base station sectors and 3,400 facility rooms, achieving annualised energy-savings of approximately 1.1 billion kWh. The transformation of the energy consumption structure advanced significantly, with the application of green electricity exceeding 1.4 billion kWh. The Company’s innovative efforts promoted the synergistic development of computing power and electricity, resulting in the creation of a green, low-carbon, safe, omni-efficient, and economically applicable energy utilisation model. The Company strengthened empowerment with green products and services, and advanced the development of key products such as environmental protection cloud and green lighting. Green ICT services have expanded coverage across multiple fields, including environmental monitoring and smart manufacturing, providing green solutions such as energy-saving transformation and integration of new energy services.

The Company continued to explore the potential of integrated innovation and two-way empowerment of security and AI. It accelerated “security intelligence integration” to create the security corpus “Qianmo Shuju”, and established a risk classification and labelling system. Leveraging multiple general AI technologies, such as content interpretation, and automatic analysis and disposal, the Company drove the iteration of the “Xingchen • Jianwei” security large model, and expedited the coverage of the intelligent upgrade of its security capability across “terminals, edges, networks, clouds, and data”. These efforts improved security assurance for critical infrastructure internally and promoted the deployment of more intelligent security products externally. The cleaning capacity of Anti-DDoS Cloud Dam exceeded 18Tbps, maintaining its leading position in protection capability and market share. The Managed Security Service Provider (MSSP) Cloud Dam provided intelligent, multi-category managed security services, with the total number of connected customers exceeding 7,000. The Company strengthened the “Security Protection for Intelligence” and addressed common security issues arising from the development of the AI industry, built large model foundational security guardrail, enhanced AI security governance, and promoted safer, more reliable, and more controllable artificial intelligence. In addition, the Company deeply integrated quantum technology with next-generation networks, cloud computing, and other technologies, utilising QKD technology to ensure the secure transmission of AI training data and cross-cluster data, thereby building a quantum-level security defense for AI.

### **3. Further deepening reform and opening up on all fronts, improving the governance system and enhancing governance capabilities**

The Company comprehensively advanced its actions to deepen and enhance state-owned enterprise reform, accelerating the establishment of new production relations that are compatible with new quality productive forces, and stimulating the momentum and vitality for the high-quality development of the enterprise. With a deep understanding that “talent is the primary resource”, the Company actively fostered a favorable environment conducive to the work and entrepreneurship of a wide range of talents. Making solid strides to advance the “Everest”, “Kunlun”, and “Five Mountains” programmes, the Company also implemented the “one-person, one-strategy” top talent cultivation and support programme, and strengthened the cultivation and introduction of top talents and leading sci-tech talents. Adhering to an actual results-oriented approach, the Company selected 24 new chief experts. The echelon pattern of sci-tech talents, comprised of 5 leading talents, approximately 1,000 chief/senior experts, and approximately 10,000 technical experts, has continuously improved. The Company continued to optimise the RDO<sup>11</sup> R&D organisational system, improve the innovation evaluation and incentive mechanism, and introduce a series of support policies for original and exploratory sci-tech innovation to enhance the efficiency of sci-tech achievement transformation. Reform at the Company’s headquarters was further advanced, with innovative allocation of production elements and improved coordination mechanisms between provincial companies and professional companies, as well as among professional companies, which effectively fostered a synergy for development. It deepened the reform of professional companies, strengthened their market entity status, established Artificial Intelligence Technology (Shanghai) Co., Ltd., and fully supported the construction of the National Artificial Intelligence Innovation Application Pilot Zone. For three consecutive years, the cloud company and the digital intelligence company have been assessed as benchmark enterprises in the “Sci-tech Reform Action” by the SASAC. Reform of provincial and city-level branches also progressed, with continued enhancement of the construction of the main process centred around the cloud core platform, improving end-to-end integrated delivery and operation service levels.

<sup>11</sup> RDO: Fundamental research (R), applied technological research and development (D) and operational development (O)

Systematic open cooperation capabilities were comprehensively enhanced by the Company, with active leadership in deepening collaboration across multiple fields and proactive efforts to build a more prosperous cooperation ecosystem. In science and technology, the Company strengthened open collaboration by accelerating the internal opening and sharing of elements such as computing power and data, driving the enhancement of sci-tech research efficiency. This included collaborations with Shanghai Artificial Intelligence Laboratory and deep involvement in the application and implementation of DeepLink's ultra-large-scale cross-domain mixed training technology. The intelligent computing cluster with ten-thousand GPUs was built, promoting the benefits of artificial intelligence to more fields. Open cooperation in digital information infrastructure was strengthened through active promotion of comprehensive inter-industry sharing and cross-industry, cross-domain collaborative sharing in areas such as satellite networks and low-altitude communications, contributing to the healthy development of the industry. The Company strengthened open cooperation in capital, acquired a controlling stake in Quantumctek and achieved comprehensive layout in the three major areas of the quantum information industry. International opening up and cooperation was also strengthened. The handset direct-to-satellite service was officially launched for commercial use in Laos, and services were expanded to Southeast Asian countries. Additionally, the e-Surfing IoT International Platform was officially released, providing open and co-created intelligent video services to the global market with the industry ecosystem.

Through further deepening reform and opening up on all fronts, the Company broke down institutional and mechanism barriers that hinder high-quality development, and promoted the modernisation of its corporate governance system and governance capabilities. By pursuing deep insights into customer demands, the Company continued to enhance the quality of its product and service supply, effectively addressing challenges and creating value for customers. Taking root downward and empowering upward, the Company continuously enhanced sci-tech innovation capabilities. The Company took concrete steps to improve the security protection capabilities and independent controllability level of cloud networks, and continuously enhanced risk prevention capabilities. Relying on data resources, intelligent platforms and applications, the Company boosted operating efficiency and the performance of products and services, further enhancing digital and intelligent capabilities. By fully leveraging the primary role of its talent team in corporate governance, the Company continuously strengthened its strategic execution capabilities.

#### **4. Proactively fulfilling social responsibilities and gaining widespread recognition from the capital market**

The Company successfully completed communications assurance tasks for multiple key events, including the Harbin Asian Winter Games, the Boao Forum for Asia, and the launch of the Shenzhou-20 manned spacecraft, while also utilising technical means such as Tiantong satellites and drones in emergency rescue and disaster relief efforts to establish an unimpeded “communications lifeline”. Through empowerment of rural revitalisation with digital intelligence, the Company stimulated the vitality of the rural digital economy, and continuously fulfilled its universal service obligations, with inclusive services in Caring Stations implemented in 80,000 urban and rural business halls. More than 80,000 caring activities were organised, benefiting over 8.6 million people. The “e-Surfing Security Anti-Fraud” platform was launched to strengthen the technological defense against fraud. The Company effectively protected the legitimate rights and interests of employees, continuously optimised the employee care system, provided diversified growth platforms, and assisted in employees’ career development.

The Company has always adhered to a high level of corporate governance, strictly complied with laws and regulations, continuously improved the quality and transparency of information disclosure, and constantly built a scientific and comprehensive compliance management system. The Shareholders’ Meeting, the Board of Directors, and the Supervisory Committee operate in a standardised manner, with efficient decision-making and strong oversight, ensuring the Company’s long-term stable development. The Company proactively strengthens investor relations management by actively building communication bridges with investors, analysts, and the media through various forms, including results briefings, investor presentations, and road shows. This allows the Company to multidimensionally showcase its strategic layout and operating results, thereby enhancing the market’s recognition of its investment value.

Receiving high affirmation from domestic and international capital markets for its outstanding performance, the Company was honored with the “Asia’s Best CSR” award for the sixth consecutive year in the “Asian Excellence Award 2025” organised by *Corporate Governance Asia*. The Company also received the “Investor Relations Management Shareholder Return Award” in the 16th Listed Company Investor Relations Management “Tianma Award” selection organised by *Securities Times* and was selected for the “Best Practise of Investor Relations Management for Listed Companies” by the China Association for Public Companies, achieving an A-grade in the 2025 Sino-Securities Index ESG comprehensive rating.

## **5. Riding on the momentum, seizing the direction and promoting the enterprise strategy upgrades**

In recent years, the Company has comprehensively implemented the Cloudification and Digital Transformation strategy, continuously promoting its transformation from a traditional telecommunications operator to a service-oriented, technology-oriented, and secured enterprise, with steadily improving operating performance and service revenue growth consistently higher than the industry average for many consecutive years. Significant achievements were made in sci-tech innovation, with four technology directions identified and the layout of seven major strategic emerging businesses completed. The Company made a number of landmark achievements in cloud, AI, quantum, satellite, and network fields, creating China Telecom's No. 1 technology "Xirang", and forming an "1+1+1+M+N"<sup>12</sup> AI development layout. The digital information infrastructure, with cloud-network integration as its core features, was continuously consolidated, and China Telecom Cloud fully took the shape as the national cloud framework, entering a new stage of intelligent cloud development. The Company continued to deepen its enterprise reform, and extensively carried out opening up and cooperation, earning Grade A in the assessment of key reform tasks of state-owned central enterprises for four consecutive years. It constantly explored a new path for operator transformation and development with China Telecom characteristics, made solid new strides towards high-quality development, and gained strategic initiative with enhanced confidence in its development.

<sup>12</sup> 1+1+1+M+N: 1 foundation for intelligent cloud, 1 foundation for the general-purpose large models, 1 data foundation, "M" refers to the number of large models for own use, and "N" refers to the number of large vertical models

At present, global sci-tech innovation has entered an unprecedentedly active period, with a new round of sci-tech revolution and industrial transformation, represented by artificial intelligence and quantum technology, accelerating its development, bringing disruptive and remodeling impacts on economic and social development, and enterprises have entered a critical stage of development. The Company is riding on the momentum to promote the upgrading of its corporate strategy towards “Cloudification, Digital Transformation and AI for Good”, adhering to a customer-centric approach, taking the fulfillment of customers’ aspirations for a better life as its starting and ending point. The Company insists on reforming and opening up as the driving force, continuously breaking down institutional and mechanism barriers that hinder high-quality development. By adhering to sci-tech innovation as the core, the Company strengthens the supply of high quality technologies and promotes the deep integration of sci-tech innovation and industrial innovation. With cloud-network integration as the foundation, the Company is accelerating the construction and upgrading of digital information infrastructure. The Company persists in green safety as the background, empowering the green and safe development of the economy and society. Adhering to the digital intelligence platform as the hub, the Company has been widely gathering various internal and external resources and capabilities of the enterprise. The Company regards its talent team as the foundation, focusing on cultivating and building an innovative talent team with a reasonable structure, excellent quality, and mastery of key core technologies. This will effectively drive the modernisation of corporate governance systems and governance capabilities and the execution of strategies, as well as accelerate the high-quality development of the Company.



Going forward, the Company will comprehensively implement the Cloudification, Digital Transformation and AI for Good Strategy, and strengthen the innovation-driven integrated development of the dual engines of fundamental businesses and Industrial Digitalisation business. It will deeply promote the “AI+” initiative, allowing the dividends of intelligence to better benefit thousands of industries and households. The Company will accelerate the intelligent evolution and upgrade of digital information infrastructure, making intelligent services more easily accessible. Reform and opening up will be deepened across all fronts, with a focus on stimulating the vitality and dynamics for the high-quality development of the Company. Core functions will be continuously enhanced and core competitiveness will be strengthened to accelerate the building of a world-class enterprise. The Company will firmly undertake responsibilities in building China’s strength in cyberspace, science and technology, Digital China, as well as safeguarding network and information security, and take the lead, shoulder the responsibility and set an example in driving Chinese modernisation.

Finally, on behalf of the Board of Directors, I would like to take this opportunity to express our sincere appreciation to all shareholders and customers for their continued attention and support, and our sincere thanks to all our employees for their hard work and contributions. Furthermore, I would also like to extend our heartfelt gratitude towards Mr. Chen Shengguang for his outstanding contributions to the Company’s development made during his tenure. At the same time, I would like to extend a warm welcome to Mr. Lyu Yongzhong on joining our Board of Directors!

**Ke Ruiwen**

*Chairman and Chief Executive Officer*

Beijing, China

14 August 2025

## GROUP RESULT

China Telecom Corporation Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six-month period ended 30 June 2025 prepared in accordance with IFRS Accounting Standards extracted from the unaudited condensed consolidated interim financial information of the Group as set out in its Interim Report for the six-month period ended 30 June 2025 prepared in accordance with IFRS Accounting Standards.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

*for the six-month period ended 30 June 2025*

*(Amounts in million except for per share data)*

		<b>Six-month period ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>RMB</b>	<b>RMB</b>
<b>Operating revenues</b>	4	<b>271,469</b>	268,011
<b>Operating expenses</b>			
Depreciation and amortisation		<b>(52,039)</b>	(49,532)
Network operations and support		<b>(78,288)</b>	(80,131)
Selling, general and administrative		<b>(32,783)</b>	(33,090)
Personnel expenses		<b>(50,438)</b>	(50,566)
Other operating expenses		<b>(29,372)</b>	(27,432)
<b>Total operating expenses</b>		<b>(242,920)</b>	(240,751)
<b>Operating profit</b>		<b>28,549</b>	27,260
Net finance costs	5	<b>(294)</b>	(250)
Investment income and others		<b>107</b>	84
Share of profits of associates and joint ventures		<b>1,233</b>	1,145
<b>Profit before taxation</b>		<b>29,595</b>	28,239
Income tax	6	<b>(6,576)</b>	(6,273)
<b>Profit for the period</b>		<b>23,019</b>	21,966

	<b>Six-month period ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB</b>	<b>RMB</b>
<b>Other comprehensive income for the period</b>		
<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	<b>60</b>	(519)
Deferred tax on change in fair value of investments in equity instruments at fair value through other comprehensive income	<b>(14)</b>	131
	<b>46</b>	(388)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of financial statements of subsidiaries outside mainland China	<b>(51)</b>	42
	<b>(51)</b>	42
<b>Other comprehensive income for the period, net of tax</b>	<b>(5)</b>	(346)
<b>Total comprehensive income for the period</b>	<b>23,014</b>	21,620

		<b>Six-month period ended 30 June</b>	
		<b>2025</b>	2024
		<b>RMB</b>	<b>RMB</b>
	<i>Notes</i>		
<b>Profit attributable to</b>			
Equity holders of the Company		<b>23,017</b>	21,812
Non-controlling interests		<b>2</b>	154
		<hr/>	<hr/>
<b>Profit for the period</b>		<b>23,019</b>	21,966
		<hr/>	<hr/>
<b>Total comprehensive income attributable to</b>			
Equity holders of the Company		<b>23,012</b>	21,466
Non-controlling interests		<b>2</b>	154
		<hr/>	<hr/>
<b>Total comprehensive income for the period</b>		<b>23,014</b>	21,620
		<hr/>	<hr/>
<b>Basic earnings per share (RMB)</b>	7	<b>0.25</b>	0.24
		<hr/>	<hr/>
<b>Diluted earnings per share (RMB)</b>	7	<b>0.25</b>	0.24
		<hr/>	<hr/>
<b>Number of shares (in million)</b>		<b>91,507</b>	91,507
		<hr/>	<hr/>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

at 30 June 2025

(Amounts in million)

		30 June 2025	31 December 2024
	Notes	RMB	RMB
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net		405,572	427,079
Construction in progress		70,936	58,801
Right-of-use assets		62,903	69,068
Goodwill	1	30,915	29,925
Intangible assets		24,579	25,513
Interests in associates and joint ventures		44,389	44,177
Financial assets at fair value through profit or loss		350	363
Equity instruments at fair value through other comprehensive income		1,078	1,015
Deferred tax assets		781	673
Other assets		20,727	21,886
<b>Total non-current assets</b>		<b>662,230</b>	<b>678,500</b>
<b>Current assets</b>			
Inventories		3,591	3,267
Income tax recoverable		161	111
Accounts receivable, net	9	70,135	42,867
Contract assets		5,600	4,731
Prepayments and other current assets		34,936	35,140
Financial assets at fair value through profit or loss		20,639	—
Short-term bank deposits and restricted cash		36,973	19,802
Cash and cash equivalents		52,959	82,207
<b>Total current assets</b>		<b>224,994</b>	<b>188,125</b>
<b>Total assets</b>		<b>887,224</b>	<b>866,625</b>

		30 June 2025 RMB	31 December 2024 RMB
	<i>Note</i>		
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-term debts		2,348	2,835
Current portion of long-term debts		1,548	1,238
Accounts payable	10	157,417	160,550
Accrued expenses and other payables		91,825	78,790
Contract liabilities		59,471	65,185
Income tax payable		3,548	2,410
Current portion of lease liabilities		13,995	14,369
<b>Total current liabilities</b>		<b>330,152</b>	<b>325,377</b>
<b>Net current liabilities</b>		<b>(105,158)</b>	<b>(137,252)</b>
<b>Total assets less current liabilities</b>		<b>557,072</b>	<b>541,248</b>
<b>Non-current liabilities</b>			
Long-term debts		8,800	7,459
Lease liabilities		29,530	34,842
Deferred tax liabilities		36,446	34,107
Other non-current liabilities		8,287	8,288
<b>Total non-current liabilities</b>		<b>83,063</b>	<b>84,696</b>
<b>Total liabilities</b>		<b>413,215</b>	<b>410,073</b>
<b>Equity</b>			
Share capital		91,507	91,507
Reserves		375,364	360,883
<b>Total equity attributable to equity holders of the Company</b>		<b>466,871</b>	<b>452,390</b>
<b>Non-controlling interests</b>		<b>7,138</b>	<b>4,162</b>
<b>Total equity</b>		<b>474,009</b>	<b>456,552</b>
<b>Total liabilities and equity</b>		<b>887,224</b>	<b>866,625</b>

Notes:

## 1. 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 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 14 August 2025, reflects the unaudited financial position of the Group as at 30 June 2025 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 ending 31 December 2025.

On 11 March 2024, China Telecom Quantum Information Technology Group Limited, a wholly-owned subsidiary of the Company, entered into the Conditional Non-Public A Share Subscription and Strategic Cooperation Agreement with Quantumctek Co., Ltd. (“Quantumctek”) to subscribe for the non-public A shares of Quantumctek with self-owned funds (“Transaction”). As of the end of 2024, the Transaction was approved by the State-owned Assets Supervision and Administration Commission of the State Council and the General Meeting of Shareholders of Quantumctek, and received the approval for registration from the China Securities Regulatory Commission.

Through an acting-in-concert agreement with other shareholders, the Group collectively holds 40.43% of the voting rights in Quantumctek. In the first half of 2025, Quantumctek completed the appointment of the new board members with the Group securing a majority of the board seats. As a result, the Group obtained control of Quantumctek and included it in its consolidated financial statements. The acquisition consideration of RMB1,775 million exceeds the fair value of the proportionate identifiable assets and liabilities of Quantumctek acquired by RMB991 million, which is recognized as goodwill related to the acquisition of Quantumctek.

As at 30 June 2025, the total current liabilities of the Group had exceeded the total current assets by RMB105,158 million (31 December 2024: RMB137,252 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 RMB205,266 million (31 December 2024: RMB196,413 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 2025 has been prepared on a going concern basis.

## 2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

- Amendments to IAS 21 “*The effects of changes in foreign exchange rates*” – Lack of exchangeability

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



### 3. 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 (“CODM”) in order to allocate resources and assess performance of the segment. The Executive Directors of the Company have been identified as the CODM. For the periods presented, management has determined that the Group has one operating segment as the Group is only engaged in the integrated telecommunications 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.

### 4. OPERATING REVENUES

#### Disaggregation of revenues

	<i>Notes</i>	<b>Six-month period ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>RMB million</b>	<b>RMB million</b>
<b>Type of goods or services</b>			
Service revenues		<b>249,112</b>	246,235
Mobile communications service revenues	(i)	<b>106,572</b>	105,217
Wireline and Smart Family service revenues	(ii)	<b>64,133</b>	63,993
Industrial Digitalisation service revenues	(iii)	<b>74,853</b>	73,750
Other service revenues	(iv)	<b>3,554</b>	3,275
Sales of goods and others	(v)	<b>22,357</b>	21,776
<b>Total operating revenues</b>		<b>271,469</b>	268,011
Revenue from customer contracts		<b>268,482</b>	265,002
Revenue from other sources		<b>2,987</b>	3,009
<b>Total operating revenues</b>		<b>271,469</b>	268,011
<b>Timing of revenue recognition</b>			
At a point in time		<b>20,298</b>	19,689
Over time		<b>251,171</b>	248,322
<b>Total operating revenues</b>		<b>271,469</b>	268,011

*Notes:*

- (i) Represent primarily the aggregate amount of mobile communications service fees, mobile Internet access 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 services, 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.

## 5. NET FINANCE COSTS

	Six-month period ended 30 June	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Interest expense on lease liabilities	776	912
Interest expense on short-term and long-term debts	322	320
Less: Interest expense capitalised*	(35)	(40)
	<hr/>	<hr/>
Net interest expense	1,063	1,192
Interest income	(941)	(1,042)
Net foreign exchange gain or loss and others	172	100
	<hr/>	<hr/>
	294	250
	<hr/>	<hr/>
* Interest expense was capitalised in construction in progress at the following rates per annum	2.4%–2.9%	2.8%–3.2%
	<hr/>	<hr/>

## 6. INCOME TAX

Income tax in the profit or loss comprises:

	Six-month period ended 30 June	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Provision for PRC income tax	4,309	5,761
Provision for income tax in other tax jurisdictions	118	103
Deferred taxation	2,149	409
	<hr/>	<hr/>
	6,576	6,273
	<hr/>	<hr/>

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

	<i>Notes</i>	<b>Six-month period ended 30 June</b>	
		<b>2025</b>	2024
		<b><i>RMB million</i></b>	<i>RMB million</i>
Profit before taxation		<b>29,595</b>	28,239
Expected income tax expense at statutory tax rate of 25%	(i)	<b>7,399</b>	7,060
Differential tax rate on mainland China subsidiaries' and branches' income	(i)	<b>(445)</b>	(364)
Differential tax rate on other subsidiaries' income	(ii)	<b>(77)</b>	(32)
Non-taxable income	(iii)	<b>(355)</b>	(333)
Non-deductible expenses	(iv)	<b>346</b>	434
Tax effect of deductible temporary difference and deductible tax loss for which no deferred tax asset was recognised		<b>539</b>	177
Impact of tax incentives and reduction including additional deduction for qualified research and development costs, etc.		<b>(600)</b>	(568)
Others	(v)	<b>(231)</b>	(101)
Income tax expense		<b>6,576</b>	6,273

*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 12% to 38%.
- (iii) Amounts represent share of profits of associates and joint ventures and miscellaneous income which are not subject to income tax.
- (iv) Amounts represent miscellaneous expenses in excess of statutory deductible limits for tax purposes.
- (v) Amounts primarily represent settlement of tax filing differences of prior year annual tax return, etc.

## **7. EARNINGS PER SHARE**

The calculation of basic earnings per share for the six-month periods ended 30 June 2025 and 30 June 2024 is based on the profit attributable to equity holders of the Company of RMB23,017 million and RMB21,812 million, respectively, divided by 91,507,138,699 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.

## **8. DIVIDENDS**

Pursuant to the shareholders' approval at the Annual General Meeting held on 21 May 2025, a final dividend of RMB0.0927 (equivalent to HK\$0.100637) per share (pre-tax) totalling approximately RMB8,483 million in respect of the year ended 31 December 2024 was declared. The dividend of RMB7,269 million was paid on 11 June 2025, and the dividend of RMB1,214 million was paid on 18 July 2025.

Pursuant to the shareholders' approval at the Annual General Meeting held on 27 May 2024, a final dividend of RMB0.090 (equivalent to HK\$0.098814) per share (pre-tax) totalling approximately RMB8,236 million in respect of the year ended 31 December 2023 was declared. The dividend of RMB7,082 million was paid on 13 June 2024, and the dividend of RMB1,154 million was paid on 26 July 2024.

## 9. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, are analysed as follows:

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b><i>RMB million</i></b>	<i>RMB million</i>
Third parties		<b>79,166</b>	49,726
China Telecom Group	(i)	<b>5,133</b>	2,556
China Tower	(ii)	<b>50</b>	46
Other telecommunications operators in the PRC		<b>1,767</b>	1,259
		<b>86,116</b>	53,587
Less: Allowance for credit losses		<b>(15,981)</b>	(10,720)
		<b>70,135</b>	42,867

*Notes:*

- (i) China Telecommunications Corporation together with its subsidiaries other than the Group are referred to as “China Telecom Group”.
- (ii) China Tower Corporation Limited, an associate of the Company, is referred to as “China Tower”.

Ageing analysis of accounts receivable based on the billing dates or dates of rendering of services is as follows:

	<b>30 June 2025</b>	31 December 2024
	<b><i>RMB million</i></b>	<i>RMB million</i>
within 1 year	<b>69,222</b>	42,715
1 to 2 years	<b>10,197</b>	6,435
2 to 3 years	<b>3,820</b>	2,273
Over 3 years	<b>2,877</b>	2,164
	<b>86,116</b>	53,587
Less: Allowance for credit losses	<b>(15,981)</b>	(10,720)
	<b>70,135</b>	42,867

## 10. ACCOUNTS PAYABLE

Accounts payable are analysed as follows:

	<b>30 June 2025</b> <i>RMB million</i>	<b>31 December 2024</b> <i>RMB million</i>
Third parties	<b>113,150</b>	117,720
China Telecom Group	<b>30,863</b>	31,194
China Tower	<b>11,730</b>	10,618
Other telecommunications operators in the PRC	<b>1,674</b>	1,018
	<b><u>157,417</u></b>	<b><u>160,550</u></b>

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

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

	<b>30 June 2025</b> <i>RMB million</i>	<b>31 December 2024</b> <i>RMB million</i>
Due within 1 month or on demand	<b>34,195</b>	39,275
Due after 1 month but within 3 months	<b>32,383</b>	32,642
Due after 3 months but within 6 months	<b>36,859</b>	40,409
Due after 6 months	<b>53,980</b>	48,224
	<b><u>157,417</u></b>	<b><u>160,550</u></b>

## 11. EVENTS AFTER THE REPORTING PERIOD

The dividend of RMB1,214 million (Note 8) of the Company was paid on 18 July 2025.

The Board of Directors has been authorised by 2024 Annual General Meeting to decide on the interim profit distribution plan. Pursuant to a resolution passed at the Board of Directors' meeting on 14 August 2025, the Board of Directors has resolved to declare an interim dividend of RMB0.1812 per share (pre-tax), totalling approximately RMB16,581 million, for the six-month period ended 30 June 2025. The dividend has not been provided for in the condensed consolidated financial information for the six-month period ended 30 June 2025.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the six-month period ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **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. The audit committee has reviewed the Interim Report for the six-month period ended 30 June 2025.

## **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 2025. 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 C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six-month period ended 30 June 2025.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 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 2025 to 30 June 2025.



## INTERIM DIVIDEND

Authorisation to the Board of the Company to decide on the interim profit distribution plan of the Company for year 2025 has been approved by the shareholders at the Annual General Meeting for the year 2024 held on 21 May 2025. After fully considering actual conditions such as the Company's cash flow level and shareholders' cash return requirements, the Board has resolved to distribute dividends in the aggregate amount of RMB16.58 billion to all shareholders, representing 72% of the profit attributable to equity holders of the Company in the amount of RMB23.02 billion for the six months ended 30 June 2025. 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 2025, an interim dividend of RMB0.1812 per share (equivalent to HK\$0.199264) (pre-tax) will be declared and 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 interim dividend is expected to be paid on or before 30 September 2025 to those shareholders whose names appear on the H Share Register of Members of the Company on Wednesday, 3 September 2025. For the purpose of determining H Share shareholders' entitlement to the interim dividend, the H Share Register of Members will be closed from Friday, 29 August 2025 to Wednesday, 3 September 2025 (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, 28 August 2025. 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 of Hong Kong Limited (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., 14 August 2025) (RMB0.909346 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 2025 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, 3 September 2025.

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 Non-resident 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, 3 September 2025 (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, 28 August 2025. 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) 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 30 September 2025. 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 the Shenzhen branch of China Securities Depository and Clearing Corporation Limited on 30 September 2025. The Shanghai branch of China Securities Depository and Clearing Corporation Limited and the Shenzhen branch of China Securities Depository and Clearing Corporation Limited will pay the interim dividend net of the applicable tax to the Southbound Investors.

## **INTERIM REPORT**

The Interim Report for the six-month period ended 30 June 2025 prepared in accordance with IFRS Accounting Standards will be made available on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.chinatelecom-h.com](http://www.chinatelecom-h.com)) and despatched to holders of H Shares who have requested to receive printed copies in due course.

By Order of the Board  
**China Telecom Corporation Limited**  
**Ke Ruiwen**  
*Chairman and Chief Executive Officer*

Beijing, China, 14 August 2025

## **FORWARD-LOOKING STATEMENTS**

*Forward-looking statements included in this announcement in relation to development strategies, future operation plans, outlook, etc. do not constitute a commitment to investors by the Company. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, the Company does not intend to update these forward-looking statements. Investors are advised to pay attention to the investment risks.*

As at the date of this announcement, the Board of Directors of the Company consists of Mr. Ke Ruiwen (as the Chairman and Chief Executive Officer); Mr. Liu Guiqing (as the President and Chief Operating Officer); Mr. Tang Ke and Mr. Li Yinghui (as the Chief Financial Officer) (both as the Executive Vice Presidents); Mr. Lyu Yongzhong (as the Non-Executive Director); Mr. Ng Kar Ling Johnny, Mr. Yeung Chi Wai, Jason, Mr. Chen Dongqi and Madam Lyu Wei (all as the Independent Non-Executive Directors).