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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 2026

HIGHLIGHTS

— The Company's operating revenues amounted to RMB260.5 billion. Revenue from principal businesses amounted to RMB244.1 billion, remaining stable on a comparable basis, of which, revenue from Communications Business amounted to RMB213.0 billion, and revenue from Intelligence Business reached RMB31.1 billion, representing an increase of 7.1% year-on-year. Revenue from China Telecom Cloud reached RMB61.8 billion, representing an increase of 7.8% year-on-year

— EBITDA amounted to RMB74.4 billion. Net profit amounted to RMB19.6 billion. The basic earnings per share were RMB0.21. Free cash flow reached RMB28.9 billion, representing an increase of 121.3% year-on-year

— The Board of Directors has decided to continue distributing an interim dividend in 2026, with the profit to be distributed in cash representing 75% of the profit attributable to equity holders of the Company for the first half of the year, representing an increase of 3pp year-on-year, i.e., RMB0.1606 per share (pre-tax), thereby continuously creating value for shareholders

CHAIRMAN'S STATEMENT

In the first half of 2026, China Telecom fully, accurately, and comprehensively implemented the new development philosophy, actively served and integrated into the new development paradigm. It resolutely fulfilled its responsibilities in building China's strength in cyberspace, science and technology, Digital China, as well as safeguarding network and information security. The Company fully implemented its "Cloudification, Digital Transformation and AI for Good" strategy, continued to deepen the Five-Sphere Integrated intelligent cloud system, achieved remarkable results in sci-tech innovation, made further headway in the "AI+" initiative, and continuously enhanced cloud-network capabilities. It continued to deepen reform and opening up with "Intelligence Transformation" at the core, refreshed its growth drivers and optimised its structure, and made solid strides towards high-quality corporate development.

1. Overall results

In the first half of 2026, the Company's operating revenues amounted to RMB260.5 billion. Revenue from principal businesses[1] amounted to RMB244.1 billion, remaining stable on a comparable basis[2], of which, revenue from Communications Business amounted to RMB213.0 billion, and revenue from Intelligence Business reached RMB31.1 billion, representing an increase of 7.1% year-on-year, accounting for 12.8% of revenue from principal businesses, up 1.1pp year-on-year. Revenue from China Telecom Cloud reached RMB61.8 billion, representing an increase of 7.8% year-on-year. EBITDA[3] amounted to RMB74.4 billion. Net profit[4] amounted to RMB19.6 billion, maintaining favourable growth on a comparable basis. The basic earnings per share were RMB0.21. Capital expenditure was RMB32.4 billion, and free cash flow[5] reached RMB28.9 billion, representing an increase of 121.3% year-on-year.

Taking the Company's profitability into full consideration, alongside cash flow levels and capital needs for its future development, the Board of Directors has decided to continue distributing an interim dividend in 2026, with the profit to be distributed in cash representing 75% of the profit attributable to equity holders of the Company for the first half of the year, representing an increase of 3pp year-on-year, i.e., RMB0.1606 per share (pre-tax), thereby continuously creating value for shareholders.

1 Revenue from principal businesses comprises revenue from Communications Business (including mobile communications, wireline communications, IoT, satellite services, information services, etc.) and revenue from Intelligence Business (including computing power, platforms, data, models, intelligent applications, etc.)

2 On a comparable basis: excluding the impact of the adjustment to the scope of application of VAT classification items in the first half of 2026

3 EBITDA = operating revenues – operating expenses + depreciation and amortisation

4 Net profit represents profit attributable to equity holders of the Company

5 Free cash flow = Net cash flow from operating activities – Capital expenditure

2. Comprehensively implementing the "Cloudification, Digital Transformation and AI for Good" strategy and taking solid strides towards high-quality corporate development

The Company embraced AI on all fronts. It comprehensively implemented its "Cloudification, Digital Transformation and AI for Good" strategy, further intensified research into its No. 1 technology "Xirang", continued to deepen the construction of the intelligent cloud system, and accelerated the development of new digital information infrastructure, making new headway in building itself into a service-oriented, technology-oriented, and secured enterprise.

2.1 Stepping up research on key and core technologies with the goal of becoming a leading sci-tech enterprise

The Company worked to enhance its sci-tech innovation capabilities, promoted the deeper integration of sci-tech innovation and industrial innovation, and increased the supply of high-quality technologies, thereby strengthening its core competitiveness. In the first half of 2026, R&D expenses[6] reached RMB5.21 billion, representing an increase of 8.9% year-on-year. In terms of cloud and cloud-network integration, the Company participated in the "Ultra-large-scale Domestic Intelligent Computing Power System and Industrialisation Project of Pengcheng Cloud Brain", which was honoured with the First Prize of the 2025 National Scientific and Technological Progress Award. The original technology source base for cloud computing and the cloud computing innovation consortium, the construction of which was led by the Company, were rated Grade A by the State-owned Assets Supervision and Administration Commission (SASAC). Following CTyunOS, the self-developed operating system for China Telecom Cloud, the Company's self-developed database product TeleDB passed the national security and reliability assessment, marking a major breakthrough in self-developed foundational IT products. The ARM cloud platform, based on the TeleCloudOS 4.0 cloud operating system, set a new world record in SPEC Cloud performance testing, achieving globally leading performance evaluations, and launched its 5.0 version for the intelligent era, supporting AI business requirements such as large model training, inference, and Agent cloud hosting. In terms of network, the project "Key Technologies for Ultra-long-span Optical Communication under Extreme Environments and Its Applications" was awarded the Second Prize of the 2025 National Technological Invention Award. The Company completed the industry's first live-network validation of computing power interconnection using a 50-millisecond wavelength-switched optical network, and conducted a co-fibre transmission test combining 40 Tbps classical optical

6 R&D expenses are based on the China Accounting Standards for Business Enterprises

communication and QKD[7] quantum key distribution over 100-kilometre hollow-core optical fibre, setting a new global record. It took the lead in initiating the first batch of 3GPP CT 6G standard projects and ranked in the first tier among global operators for its contributions to 3GPP RAN. In terms of AI, the Company deepened the integration of AI and communication technologies, and innovatively built the AI Flow system. It conducted research on key technologies, such as familial homogeneous models and generative transmission, to address computing power transmission challenges in long-distance and cross-airspace extreme scenarios. These efforts earned the Company the highest accolade at the 2026 World Artificial Intelligence Conference, the Super AI Leader Award, together with the Best Paper Award. Its Xingchen large model claimed six championships at leading international AI conferences and competitions, including ACL and ACM MM. The Company expanded into the frontier field of embodied intelligence, and its innovatively developed PRTS[8], a reinforcement learning-native VLA foundation model, ranked among the world's top three in MolmoSpaces, a global benchmark for embodied intelligence. In terms of quantum/security technologies, the distributed cryptosystem integrating QKD and PQC[9] was selected as one of the ten landmark achievements of state-owned central enterprises' original technology source bases. With the Tianyan-P2000 photonic quantum computer being connected, the Tianyan quantum computing cloud platform became the world's first quantum computing cloud platform to offer quantum supremacy service capabilities across both photonic quantum and superconducting technology routes, and its comprehensive capabilities ranked in the world's top tier[10]. The Company also provided full-stack, integrated AI security protection capabilities, and its "Xingchen • ChangeWay" security large model ranked first in CyberSec-Eval.

2.2 *Focusing on Token operations and accelerating progress towards becoming a leading AI service provider*

The Company continued to advance the upgrade and effective implementation of its strategies, further refined its intelligent cloud system, and vigorously pushed forward Token operations. It continued to enrich the substance of its positioning as a service-oriented enterprise in the intelligent era, strove to improve the quality and efficiency of Communications Business, drive the rapid growth of Intelligence Business, and open up new room for value growth. The Company was the first in the industry to launch nationwide Token packages. It launched and continued to enhance its Xingchen TokenHub, providing easily accessible and high-quality computing power, data, models and AI applications for customers, increasing Token consumption rapidly.

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

8 PRTS: Primitive Reasoning and Tasking System, a reinforcement learning native VLA foundation model independently developed by China Telecom

9 PQC: Post Quantum Cryptography, the cryptographic technology and corresponding algorithm capable of resisting attacks from quantum computers

10 Source: ICV TA&K, *2026 Global Quantum Computing Cloud Platform Assessment Report*

In terms of the Communications Business, the Company advanced the upgrade of its connectivity business from a "communication channel" to an "intelligent portal", accelerating the integration of AI into the connectivity business and expanding new value frontiers for connectivity. The Company accelerated connectivity upgrades to maintain its user base. For mobile networks, it sped up the large-scale commercial deployment and capability upgrade of 5G-A. Leveraging the differentiated strengths of integrated communication and sensing as well as high-speed ubiquitous coverage, it delivered an exceptional next-generation mobile connectivity experience featuring ultra-high speed, low latency and high reliability. The penetration rate of 5G network subscribers was 72.9%, 5G-A subscribers reached 4.68 million, and the DOU of mobile subscribers rose by 10.6% year-on-year. For broadband networks, the Company continued to promote the upgrade of "Gigabit + FTTR", made ongoing efforts to strengthen and solidify household digital infrastructure, and continuously improved broadband speeds and indoor coverage quality, with the gigabit broadband penetration rate reaching 34.3%, an increase of 2.7pp from the end of the previous year. For the connectivity services in the government and enterprise business, the Company actively promoted the expansion of virtual networks, dedicated lines and corporate all-optical network businesses. It cultivated vertical industry scenarios and uncovered the value of vertical markets by rolling out innovative applications. The Company accelerated the development of its space-aerial-ground integrated network, promoted multi-network synergies across mobile communication, all-optical and satellite networks, achieving advantages in connectivity across all domains. It strengthened customer operations and stabilised customer value. Leveraging customer operation intelligent agents' empowerment, the Company accelerated the improvement of precision in customer operations, built full-process AI digital intelligence capabilities for customer insights, strategic package matching, precise reach, review and audit, accurately meeting customers' personalised needs and continuously enhancing marketing conversion efficiency. To optimise touchpoint services, the Company strengthened the integration of online and offline services to achieve a dual improvement in customer value and perception. To enrich privilege products, the Company launched packages of diversified privileges covering mobility, catering, entertainment, healthcare and other scenarios in collaboration with ecosystem partners to improve the one-stop service system integrating "connectivity + terminal + application + privilege". As a result, revenue from privilege partnerships increased by 75% year-on-year. The Company improved the "All Customers' Say" service mechanism and enhanced customer service quality, with the scale of high-value integrated customers steadily expanding, the number of integrated subscribers exceeding 130 million and the blended ARPU reaching RMB128. The Company deepened scenario-based marketing and continuously innovated development paths. Focusing on key scenarios such as digital life, local services and governance, and leveraging digital platforms as the capability foundation, it continuously built scenario-based integrated applications and promoted the integrated and mutually beneficial development of GBHC. For customer-facing (ToC) business, leveraging 5G-A, the Company created scenario-based applications such as high-speed rail and subway travel, cultural tourism and sports events and live streaming. For household customers (ToH), it created applications such as home security, elderly care, one-click care and smart education powered by its smart family platforms and smart community platforms. For government-facing (ToG) business, it developed scenario-based applications such as AI local governance, AI fire prevention and control, and AI market supervision. For enterprise-facing (ToB) business, it created scenario-based applications such as enterprise dedicated networks, 5G factories, low-altitude surveying and mapping, smart campuses, smart finance and smart healthcare leveraging its 5G customised networks, IoT, low-altitude economy platforms and industry platforms, driving the adoption of customised, integrated solutions and maintaining a market-leading position in industry digitalisation delivery capabilities.

In terms of the Intelligence Business, at the IaaS layer, the Company formed a computing power layout covering general computing, intelligent computing, supercomputing, and quantum computing, and achieved comprehensive coverage of all-optical networks, computing power internet, mobile communication networks, and satellite networks, providing a computing foundation characterised by cloud-network integration. Revenue from AIDC business grew by 9.3% year-on-year, and revenue from intelligent computing increased by 95.0% year-on-year. At the PaaS layer, the Company upgraded the Xirang computing power interconnection scheduling platform to Xirang 2.0, which supported computing power from more than 20 types of heterogeneous chips, while the total scale of self-owned and accessed intelligent computing power exceeded 118.8 EFLOPS; 16 algorithms enabled the integrated scheduling of computing power, networks and models, providing efficient, low-loss and low-latency Token transmission services. At the DaaS layer, the Company accelerated the expansion of high-quality data products, aggregating over 20 trillion Tokens of high-quality foundation model training data and 500 high-quality industry datasets. Two of these datasets were selected as exemplary achievements for high-quality datasets in the "Intelligent Datasets for All Domains" initiative by the SASAC. Construction of the Xinghai Trusted Data Space was strengthened. Supported by three core capabilities, i.e. trusted connection, controllable processing and flexible trading, it opened up data circulation channels to foster market-oriented allocation of data elements. At the MaaS layer, the Xingchen large model system was further enhanced by mastering stable and efficient training techniques for ultra-long contexts, independently developing a reinforcement learning framework for Agentic RL, and crafting a new generation of foundational large models with ultra-large parameter counts. The Xingchen TokenHub brought together 142 large models and built a cross-terminal, cross-business and cross-scenario integrated Token operation service platform. To further enhance the supply of "AI+" industry applications, the Company developed and promoted more than 420 industry-specific agents and 102 industry-specific Skills. At the SaaS layer, internal AI adoption and external empowerment were accelerated. Centring on the five core areas of intelligent operation, intelligent services, intelligent marketing, intelligent R&D and intelligent management, 12 categories of digital employees were deployed at scale, accelerating the integration of AI technology into core production workflows, delivering cumulative cost reductions and efficiency gains totalling over RMB1.4 billion. Both internal adoption and external empowerment continued to progress. The Company accelerated the large-scale deployment of AI technology, and worked to develop AI-native products. Xingchen super intelligent agent, TeleAgent, the Company's self-developed AI-native application, features characteristics such as high performance, low cost, security and controllability, plug-and-play, full-scenario support for office work, including document drafting, in-depth research, data analysis, development, operations and maintenance. The Company continued to advance the AI-enabled upgrade of traditional products, and created core AI products including e-Surfing Smart Ringtone, e-Surfing Smart Screen, e-Surfing Smart Cam and cloud-intelligence handsets, bringing new intelligent service experiences to countless households. It accelerated the transition from ICT to AICT, targeted key areas including government administration services, social livelihood and industrial economy, built a team of intelligent engineers, leveraged its strengths in customised delivery and localised services, and delved into customers' core production workflows to empower the digital and intelligent transformation of various industries. Leveraging the dual-foundation capability advantages of the "Xirang" and Xingchen TokenHub platforms, the Company accelerated the development and business-model innovation of localised intelligent-cloud city platforms across 30 cities. Meanwhile, the Company focused on quantum communication, quantum computing and quantum precision measurement. To that end, the Company continuously upgraded quantum product capabilities and expanded market coverage, developed quantum-enabled application scenarios across key products such as Internet of Video Things (IoVT), IoT, low-altitude economy, and cloud services, with the number of quantum communication subscribers reaching 7.2 million. The Company continued to expand its footprint in IoVT. Its "Home-School-Village" solution benefited more than 3,900 schools nationwide; Security Smart Eye covered over 20,000 governance institutions; and Transparent Kitchens and Stoves served over 510,000 merchants. The number of terminals connected to its IoVT has reached the 100-million level. The Company built the AI+ "1+1+4+N"[11] low-altitude economy core capability system, which fully covered critical links such as low-altitude infrastructure, flight services, and security prevention and control, to strengthen low-altitude security protection and scale up scenario deployment, with more than 1,500 application scenarios being operationalised to date.

[11] 1+1+4+N: 1 integrated service solution foundation, 1 low-altitude intelligent network, 4 major supporting platforms, and N scenario-based applications

2.3 *Comprehensively advancing the development of a secured enterprise and driving deeper integration between AI and security*

Balancing development and security, and placing great emphasis on security governance in the AI era, the Company accelerated the refinement of a security protection system compatible with the development of intelligent cloud, and further advanced the mutual empowerment of AI and security. The Company continued to enhance independent and controllable security protection capabilities. It consolidated the defence system for cloud and network foundation, built the full-stack "1+N+1"[12] security capabilities for intelligent cloud, and enhanced security technologies for computing power network integration. It deepened the systematic governance of data security, strengthened the protection capabilities for data circulation, and forged trusted computing and privacy computing capabilities. The "ChangeMore" security dataset was optimised, and the "Xingchen • ChangeWay" security large model family was developed. The Company continuously strengthened AI-enabled security operations. It promoted the agent-based operation model, launched digital security employees, and further empowered scenarios such as risk identification, vulnerability detection, event monitoring and emergency response, boosting efficiency by over 50% in key links. The Company upgraded security products and enhanced intelligent capabilities. The Cloud Dam Anti-DDoS protection capacity reached 18.4 Tbps, maintaining the No. 1 market share in China. Cloud WAF and Yunmai SASE remained among the top three in the domestic market, while the Yunxi AI security integrated platform served more than 9,300 government and enterprise customers. The Company sped up the improvement of AI security governance capabilities. It enhanced compliance management, risk assessment, and technical protection capabilities, and developed an AI security evaluation platform, which was selected as a model case of AI applications by MIIT and a model case of AI for Good by ITU. It built an agent security situational awareness platform and a trusted Skill repository to provide security protection for the Xingchen super intelligent agent with protection accuracy of over 97%. Products such as the Agent Security Guardrail and e-Surfing Security Brain Agent Protection Gateway safeguarded the secure operation of agent applications. A Token security router was launched to consolidate the defence line for large-scale AI applications.

2.4 *Accelerating the construction of intelligent and integrated digital information infrastructure*

Leveraging its comprehensive and industry-leading communications infrastructure foundation, the Company adopted "high speed and ubiquitous, aerial-ground integration, cloud-network integration, intelligent and agile, green and low-carbon, secure and controllable" as the core requirements for network deployment. Building on its first-mover advantage in existing infrastructure, it undertook the appropriately forward-thinking construction of a next-generation communications network and a computing power network, and accelerated the upgrade of intelligent and comprehensive digital information infrastructure.

[12] 1+N+1: 1 Yunxi integrated AI security platform, N core AI security capabilities, 1 Agentic SOC

The Company constantly consolidated its leading position in cloud and network by promoting the iteration of the next-generation communications network. The Company leveraged new technologies to guide the improvement of new infrastructure. It pioneered technologies such as uplink and downlink decoupling and intelligent link enhancement, leveraging the advantages of its 1.8G+2.1G large-/mid-band spectrum to effectively support high-uplink business demands of mobile networks. The latency of transmission has been significantly reduced in high-value scenario applications through the adoption of hollow-core optical fibre in optical networks. The Company's satellite network is the first in China to achieve communication and navigation integration through "Tiantong + Beidou", enabling domestic satellite-based high-precision positioning. The Company has promoted cost reduction and efficiency improvement with new methodologies and capabilities. The Company continued to advance mobile network co-building and co-sharing, promoting 5G/4G full-band coordination, bringing the number of high-/mid-band 5G base stations to over 1.65 million. The large-scale deployment of OSU capabilities on the OTN optical fibre network significantly improved the carrying efficiency of dedicated lines during transmission. The Company, as the first in the world, launched the EPON/10G-EPON/50G-PON tri-generation co-existence technology to support the 10-gigabit upgrade without replacing EPON terminals. The Company comprehensively accelerated efforts to strengthen the foundations and expand the capacity of new infrastructure. It advanced its 5G-A network upgrades, deploying over 150,000 5G-A carrier aggregation base stations and over 700,000 Redcap base stations. Meanwhile, the number of base stations serving low-altitude intelligent networks has also remarkably increased. It steadily promoted the large-scale application of high-bandwidth optical networks, and conducted 10-gigabit service trials in more than a hundred cities. Through hardware-software decoupling of the infrastructure, the Company built a secure, resilient and unified platform and a hardware resource pool. Leveraging AI-enabled network governance and intelligent networks, the Company accelerated the efficient interconnection and intelligent co-control of various networks including mobile, optical, low-altitude, IoT, IoVT and quantum networks to empower industrial development.

The Company undertook advanced planning and deployment, accelerating the large-scale construction of a computing network. In AIDC construction, it increased the application of new technologies such as integrated and centralised power supply, high-voltage direct current, and high-efficiency cooling, and is building new-generation AIDCs in accordance with the standards of "high power density, high IT output rate, flexible construction, and flexible expansion". The proportion of newly added power for cabinets above 100kW exceeded 50%, with a total power capacity of nearly 8GW, and 16 data centre campuses at the 100MW level. In terms of building an inter-compute network, the Company constructed the new "Eight Verticals and Eight Horizontals" backbone optical cable network, which further reduced latency and continuously increased the capacity of government and enterprise OTN. Relying on the metropolitan all-optical interconnected network, the Company achieved millisecond-level access-compute. In terms of computing power supply, the Company focused on eight major hub node regions and collaborated with industry chain partners to develop multi-modal intelligent computing capabilities. An additional 24.8 EFLOPS of proprietary intelligent computing capacity was added, reaching a cumulative total of 70.8 EFLOPS. Four heterogeneous computing power clusters, each with 10,000 GPUs and capable of integrated resource scheduling, were built, and the utilisation rate of intelligent computing reached 94%. In terms of computing power scheduling, leveraging the "Xirang" Computing Power Interconnection and Scheduling Platform 2.0, the Company accelerated the construction of the computing power network to achieve full-domain visibility, availability, and controllability of computing power, helping customers centrally manage their own resources and conveniently access public computing power, thereby achieving on-demand access and efficient utilisation of computing power resources.

The Company further upgraded its cloud network operation capabilities, released Intelligent Cloud Network Operating System 3.0, and created an industry-leading digital foundation and intelligent hub for cloud network infrastructure. The level of autonomous cloud-network operations improved steadily, reaching L4 in multiple high-value scenarios. The Company won the TM Forum's "Excellence in Autonomous Networks" award for the second consecutive year. The project "Empowering Intelligent Cloud Network Operation and Maintenance Scenarios with Network Large Models" was selected for the "Intelligent Scenarios for All Industries" list of strategic high-value applications by SASAC.

2.5 *Upholding the green development concept and achieving fruitful results in green and low-carbon development*

The Company fully integrated the green and low-carbon concept into corporate operations. It continued to promote the green and low-carbon transformation of digital information infrastructure, with its green electricity consumption exceeding 1.7 billion kWh, completed simplified deployment at more than 60,000 base stations, and applied AI energy-saving technologies to over 6.36 million base station sectors and 8,600 facility rooms. In the first half of the year, power conservation totalled over 1 billion kWh, cutting carbon emissions by 1.46 million tonnes in total. The Company deepened the computing-energy synergy, created new power supply models including direct green power access and source-grid-load-storage, and built China's first large-scale green power direct supply project featuring the computing-energy synergy in Ningxia, raising the proportion of green electricity used by newly built data centres at national hub nodes to over 80%, and driving both green transition and improvement in operating efficiency. The Company promoted empowerment with green products and services, expanded key products and solutions such as environmental protection cloud and green lighting, and deployed over 320,000 new green lighting and air-conditioner energy-saving product endpoints in the first half of the year, empowering the green and low-carbon transformation of various industries.

3. Further deepening reform and opening up on all fronts, and continuously enhancing its corporate governance capabilities

Following its "Optical Network Transformation" and "Cloudification" initiatives, the Company further deepened reform and opening up on all fronts with "Intelligence Transformation" at the core. The Company fully leveraged its technological, resource, and talent capabilities and advantages, accelerated reform and innovation of organisational processes and institutional mechanisms, and made greater efforts in opening up and cooperation to promote the large-scale application of AI.

The Company comprehensively deepened reform across all fields and accelerated the establishment of new production relations aligned with AI development. In response to customers' needs for AI, the Company advanced the upgrade from a cloud operation platform to an AI-centric platform, built main processes with the AI-centric platform as the hub, and expedited the development of an intelligent engineering team. The Company systematically enhanced its capabilities in customer demand insight, sales services, agile delivery and ongoing operations, solving the "last mile" problem in customer service efficiently. Aligning with market demands, it deepened reforms in areas such as government and enterprise business, cloud-network operations, ICT, data development, and AIDC construction and operation, continuously enhanced its organisational capabilities across all elements including cloud network, computing power, platforms, data, models, and applications, and thereby built new advantages in artificial intelligence development. The Company made further upgrades in its system and mechanisms for sci-tech innovation, strengthened original and exploratory sci-tech innovation, stimulated the enthusiasm of sci-tech personnel, and continuously provided a vital driving force to improve its capabilities in tackling key sci-tech challenges. The Company deepened the reform in its professional companies, optimised the business layout, strengthened the building of core capabilities, and enhanced the supply of both digital and intelligent platforms and products. It optimised the resource allocation mechanism, established a precisely oriented classified assessment and evaluation system, and improved the coordination mechanism for provincial-professional/professional-professional[13], to further leverage the synergistic effects. Through innovative mechanisms, the establishment of platforms and the improvement of the medium- and long-term incentive system, the Company has fully unleashed the entrepreneurial spirit and drive of its junior and frontline employees to pursue their full potential.

13 Provincial-professional/professional-professional: between provincial companies and professional companies, and among professional companies

With greater intensity and a firmer resolve in opening up, the Company enhanced the level of systematic opening up and cooperation to foster mutually beneficial partnerships. On the basis of continuously deepening the co-construction and co-sharing of mobile network infrastructure, the Company further expanded the scale and scope of sharing and cooperation, actively extended open sharing in areas such as network and computing power infrastructure and new technology facilities, and continuously improved the level of technological innovation in infrastructure planning, construction, maintenance, and optimisation, thereby optimising resource allocation efficiency and further effectively saving investment and costs. The Company advanced cooperation on sci-tech innovation with greater efforts. It further strengthened industry-academia-research cooperation, intensified basic research collaboration and core technology breakthroughs, and built the Sci-Tech Innovation Space for Quantum Talents of State-Owned Central Enterprises to high standards. The Company continuously leveraged capital to accelerate its investment layout in key AI fields such as intelligent computing, storage, and embodied AI, and collaborated with leading enterprises such as Moore Threads, MetaX, DapuStor, and Unitree Robotics to promote integrated development of technological innovation and industrial innovation in frontier fields. With a multi-tiered layout through a combination of "direct investments + fund investments", it integrated and streamlined the five-layer cooperation system for the intelligent cloud, developed a new capital strategy ecosystem, and accelerated a new round of capital increases and the introduction of strategic investors in key areas such as the professional company for AI and Tianyi Shilian, to promote market-oriented operation. The Company deepened business openness and cooperation. It built an open and synergistic channel ecosystem, further expanded the ecosystem of AI terminal partners, developed a unified rights and privileges operation system, and fostered a "proprietary + ecosystem" differentiated competitive advantage. Modelers.cn has become China's largest open-source AI community based on domestically developed computing power, attracting 520,000 AI developers and being selected as a national-level exemplary AI case. The Company kept expanding overseas markets and deepening ecosystem partnerships, upgraded the "OneGrowth2026" global partnership programme, established a global AI Token service ecosystem alliance, and expanded the global influence of international exchange and cooperation platforms such as WBBA.

Upholding the principle that talent is the primary resource, the Company deeply implemented the project of strengthening the enterprise with talents and scaled up the cultivation and recruitment of sci-tech talents, forming a sci-tech talent team composed of five scientists, over 1,000 chief/senior experts and over 10,000 technical experts. It fully leveraged the role of scientists and stimulated the innovative vitality of researchers to deliver more independent sci-tech innovation outcomes and rolled out groundbreaking policies to support original and exploratory sci-tech innovation. Persisting in the laws of talent growth, the Company improved its talent development and training system, and continuously drove the structural upgrade of its workforce.

4. Proactively fulfilling social responsibilities and gaining extensive recognition from the capital market

The Company successfully provided communications support for major events such as the National Two Sessions and the launch of the Shenzhou-23 manned spacecraft. It leveraged frontier technologies including AI Flow, low-altitude communications and the Tiantong satellites to reinforce the communications "lifeline" for emergency rescue operations across the board. The Company continuously injected "digital and intelligent momentum" into rural revitalisation and took concrete actions to enhance the efficiency of rural industries and related governance capabilities. Enabled by technology, the Company strengthened the anti-fraud security network, and achieved continuous improvements in anti-fraud governance efficiency.

The Company consistently adhered to high standards of corporate governance, strictly complied with laws and regulations, continuously improved its compliance management system, and enhanced the quality and transparency of information disclosure. The Shareholders' Meeting and the Board of Directors operated in a standardised manner with efficient decision-making, establishing a solid foundation for the Company's long-term stable development. The Company deepened look-through supervision, empowered risk early warning and precise prevention and control with digital and intelligent technologies, and continuously enhanced its risk governance capabilities. Meanwhile, it proactively strengthened investor relations management. Through diverse channels such as results briefings, roadshows and investor meetings, it showcased its strategic positioning and operating results in a multidimensional manner, thereby enhancing the market's recognition of its investment value.

For its remarkable performance, the Company has earned high praise from domestic and international capital markets. It won the "Asia's Best CSR" award for the seventh consecutive year in the "Asian Excellence Award 2026" organised by *Corporate Governance Asia*. It was honoured with the Gold Awards for "Best Investor Relations in China", "Best Large-Cap Company in China" and "Most Committed to DEI (diversity, equity, and inclusion) in China" in the "Asia's Best Companies Poll 2026" by *FinanceAsia*.

5. Outlook

2026 marks the beginning of China's 15th Five-Year Plan period. Currently, China's economy demonstrates a progressive trend characterised by innovation-driven momentum and structural optimisation. A new round of sci-tech revolution and industrial transformation is accelerating breakthroughs. Artificial intelligence technology innovation has entered an unprecedentedly active period, emerging as a new engine for economic growth and an accelerator for shifting from old growth drivers to new ones. The planning and construction of "Six Networks", including the computing power network and the new-generation communication network, among others, bring new opportunities for the industry and the Company's development. Going forward, the Company will fully implement the "Cloudification, Digital Transformation and AI for Good" strategy, keep advancing the construction of its Five-Sphere Integrated intelligent cloud system, and deeply implement the "AI+" initiative. With Token operations as the main thread, the Company will promote the development of new forms of the intelligent economy, continue to dedicate itself to delivering original and leading sci-tech innovations, continuously strengthen its inherent AI security capabilities, accelerate the construction of new digital information infrastructure, further deepen reforms and opening up on all fronts, comprehensively enhance its corporate governance capabilities, and accelerate high-quality development. Through these efforts, the Company aims to secure a good start for the 15th Five-Year Plan period, enabling the Company to take the lead, shoulder the responsibilities, and set an example in 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 care 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 Dongqi and Madam Lyu Wei for their outstanding contributions to the Company during their tenure and welcome Mr. Liang Xuming and Madam Chen Ji Min to our Board of Directors!

Ke Ruiwen
Chairman and Chief Executive Officer
Beijing, China

20 August 2026

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 2026 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 2026 prepared in accordance with IFRS Accounting Standards.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the six-month period ended 30 June 2026
(Amounts in million except for per share data)

		Six-month period ended 30 June	
		2026	2025
	Notes	***RMB***	*RMB*
Operating revenues	*4*	**260,471**	271,469
Operating expenses			
Depreciation and amortisation		**(51,378)**	(52,039)
Network operations and support		**(77,143)**	(78,288)
Selling, general and administrative		**(32,759)**	(32,783)
Personnel expenses		**(49,389)**	(50,438)
Other operating expenses		**(26,823)**	(29,372)
Total operating expenses		**(237,492)**	(242,920)
Operating profit		**22,979**	28,549
Net finance costs	*5*	**(93)**	(294)
Investment income and others		**1,074**	107
Share of profits of associates and joint ventures		**1,803**	1,233
Profit before taxation		**25,763**	29,595
Income tax	*6*	**(6,278)**	(6,576)
Profit for the period		**19,485**	23,019

	Six-month period ended 30 June	
	2026	2025
	RMB	*RMB*
Other comprehensive income for the period		
Items that will not be reclassified subsequently to profit or loss:		
Change in fair value of investments in equity instruments at fair value through other comprehensive income	**(279)**	60
Deferred tax on change in fair value of investments in equity instruments at fair value through other comprehensive income	**67**	(14)
	(212)	46
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of financial statements of subsidiaries outside mainland China and others	**(464)**	(51)
	(464)	(51)
Other comprehensive income for the period, net of tax	**(676)**	(5)
Total comprehensive income for the period	**18,809**	23,014

		Six-month period ended 30 June	
		2026	2025
	Notes	***RMB***	*RMB*
Profit attributable to			
Equity holders of the Company		**19,588**	23,017
Non-controlling interests		**(103)**	2
Profit for the period		**19,485**	23,019
Total comprehensive income attributable to			
Equity holders of the Company		**18,912**	23,012
Non-controlling interests		**(103)**	2
Total comprehensive income for the period		**18,809**	23,014
Basic earnings per share (RMB)	*7*	**0.21**	0.25
Diluted earnings per share (RMB)	*7*	**0.21**	0.25

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

at 30 June 2026

(Amounts in million)

	Note	**30 June 2026** *RMB*	31 December 2025 *RMB*
ASSETS			
Non-current assets			
Property, plant and equipment, net		**393,396**	416,183
Construction in progress		**69,541**	56,481
Right-of-use assets		**52,037**	58,103
Goodwill		**30,912**	30,914
Intangible assets		**26,264**	28,439
Interests in associates and joint ventures		**47,094**	45,280
Financial assets at fair value through profit or loss		**20,724**	923
Financial assets at fair value through other comprehensive income		**1,350**	1,878
Deferred tax assets		**1,436**	1,002
Long-term bank deposits		**5,964**	11,210
Other assets		**15,228**	14,096
Total non-current assets		**663,946**	664,509
Current assets			
Inventories		**4,119**	3,431
Income tax recoverable		**109**	74
Accounts receivable, net	*9*	**71,794**	53,146
Contract assets		**4,433**	4,123
Prepayments and other current assets		**34,281**	33,845
Financial assets at fair value through profit or loss		**33,372**	11,709
Financial assets at fair value through other comprehensive income		**2,365**	–
Bank deposits and restricted cash		**29,643**	38,413
Cash and cash equivalents		**40,657**	61,394
Total current assets		**220,773**	206,135
Total assets		**884,719**	870,644

	Note	30 June 2026 RMB	31 December 2025 RMB
LIABILITIES AND EQUITY			
Current liabilities			
Short-term debts		**1,677**	2,448
Current portion of long-term debts		**1,261**	1,466
Accounts payable	*10*	**156,456**	149,704
Accrued expenses and other payables		**90,691**	87,180
Contract liabilities		**60,205**	67,113
Income tax payable		**2,472**	1,563
Current portion of lease liabilities		**20,417**	14,239
Total current liabilities		**333,179**	323,713
Net current liabilities		**(112,406)**	(117,578)
Total assets less current liabilities		**551,540**	546,931
Non-current liabilities			
Long-term debts		**5,557**	6,109
Lease liabilities		**18,144**	25,051
Deferred tax liabilities		**40,546**	39,294
Other non-current liabilities		**7,890**	8,217
Total non-current liabilities		**72,137**	78,671
Total liabilities		**405,316**	402,384
Equity			
Share capital		**91,507**	91,507
Reserves		**380,376**	369,321
Total equity attributable to equity holders of the Company		**471,883**	460,828
Non-controlling interests		**7,520**	7,432
Total equity		**479,403**	468,260
Total liabilities and equity		**884,719**	870,644

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 20 August 2026, reflects the unaudited financial position of the Group as at 30 June 2026 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 2026.

The condensed consolidated interim financial information is unaudited, but has been reviewed by the Audit Committee of the Company. The condensed consolidated interim financial information has also been reviewed by the Company's international independent auditor in accordance with Hong Kong Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" as issued by the Hong Kong Institute of Certified Public Accountants.

As at 30 June 2026, the total current liabilities of the Group had exceeded the total current assets by RMB112,406 million (31 December 2025: RMB117,578 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 RMB205,808 million (31 December 2025: RMB207,111 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 2026 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 IFRS 9 "*Financial Instruments*" and IFRS 7 "*Financial Instruments: Disclosures*" – Classification and Measurement of Financial Instruments

- Annual Improvements to IFRS Accounting Standards – Volume 11

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

		Six-month period ended 30 June	
		2026	2025
	Notes	***RMB million***	*RMB million*
Type of goods or services			
Mobile communications service revenues	*(i)*	**105,438**	106,572
Wireline and Smart Family service revenues	*(ii)*	**61,781**	64,133
Industrial Digitalisation service revenues	*(iii)*	**69,881**	74,853
Other revenues	*(iv)*	**23,371**	25,911
Total operating revenues		**260,471**	271,469
Revenue from customer contracts		**258,039**	268,482
Revenue from other sources		**2,432**	2,987
Total operating revenues		**260,471**	271,469
Timing of revenue recognition			
At a point in time		**18,233**	20,298
Over time		**242,238**	251,171
Total operating revenues		**260,471**	271,469

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 revenues from sales of mobile terminal equipment, wireline communications equipment and industrial digital equipment, property rental revenue and other revenues.

From 1 January 2026, the applicable tax classification items of business activities conducted within the People's Republic of China that involve the provision of handset data traffic services, SMS and MMS services and Internet broadband access services using wireline, mobile networks, satellites and the Internet shall be adjusted from value-added telecommunications services to basic telecommunications services, and as a result, the corresponding value-added tax rate for such services shall be adjusted from 6% to 9%.

5. NET FINANCE COSTS

	Six-month period ended 30 June	
	2026	2025
	RMB million	*RMB million*
Interest expense on lease liabilities	**604**	776
Interest expense on short-term and long-term debts	**270**	322
Less: Interest expense capitalised	**(23)**	(35)
Net interest expense	**851**	1,063
Interest income	**(815)**	(941)
Net foreign exchange gain or loss and others	**57**	172
	93	294

6. INCOME TAX

Income tax in the profit or loss comprises:

	Six-month period ended 30 June	
	2026	**2025**
	RMB million	*RMB million*
Provision for PRC income tax	**5,270**	4,309
Provision for income tax in other tax jurisdictions	**125**	118
Deferred taxation	**883**	2,149
	6,278	6,576

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

		Six-month period ended 30 June	
		2026	2025
	Notes	***RMB million***	*RMB million*
Profit before taxation		**25,763**	29,595
Expected income tax expense at statutory tax rate of 25%	*(i)*	**6,441**	7,399
Differential tax rate on mainland China subsidiaries' and branches' income	*(i)*	**(256)**	(445)
Differential tax rate on other subsidiaries' income	*(ii)*	**(63)**	(77)
Non-taxable income	*(iii)*	**(493)**	(355)
Non-deductible expenses	*(iv)*	**349**	346
Tax effect of deductible temporary difference and deductible tax loss for which no deferred tax asset was recognised		**852**	539
Impact of tax incentives and reduction including additional deduction for qualified research and development costs, etc.		**(534)**	(600)
Others	*(v)*	**(18)**	(231)
Income tax expense		**6,278**	6,576

Notes:

(i) Except for certain subsidiaries and branches which are mainly taxed at the preferential rate of 15%, the provision for mainland China income tax is based on a statutory rate of 25% of the assessable income of the Company, its mainland China subsidiaries and branches as determined in accordance with the relevant income tax rules and regulations of mainland China.

(ii) Income tax provisions of the Company's subsidiaries in Hong Kong and Macau Special Administrative Regions of the PRC, and in other countries are based on the subsidiaries' assessable income and income tax rates applicable in the respective tax jurisdictions which range from 8.25% to 38%.

(iii) Amounts mainly 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 2026 and 30 June 2025 is based on the profit attributable to equity holders of the Company of RMB19,588 million and RMB23,017 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 19 May 2026, a final dividend of RMB0.0908 per share (pre-tax) totalling approximately RMB8,309 million in respect of the year ended 31 December 2025 was declared. The dividend of RMB7,104 million was paid on 10 June 2026, and the dividend of RMB1,205 million was paid on 8 July 2026.

Pursuant to the shareholders' approval at the Annual General Meeting held on 21 May 2025, a final dividend of RMB0.0927 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.

9. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, are analysed as follows:

	Notes	**30 June 2026** *RMB million*	31 December 2025 *RMB million*
Third parties		**86,221**	62,694
China Telecom Group	*(i)*	**3,987**	3,801
China Tower	*(ii)*	**68**	83
Other telecommunications operators in the PRC		**2,315**	1,300
		92,591	67,878
Less: Allowance for credit losses		**(20,797)**	(14,732)
		71,794	53,146

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:

	30 June 2026 *RMB million*	31 December 2025 *RMB million*
Within 1 year	**69,804**	51,198
1 to 2 years	**12,729**	9,425
2 to 3 years	**5,536**	4,037
Over 3 years	**4,522**	3,218
	92,591	67,878
Less: Allowance for credit losses	**(20,797)**	(14,732)
	71,794	53,146

10. ACCOUNTS PAYABLE

Accounts payable are analysed as follows:

	30 June 2026 *RMB million*	31 December 2025 *RMB million*
Third parties	**111,344**	109,536
China Telecom Group	**31,776**	28,512
China Tower	**11,148**	10,157
Other telecommunications operators in the PRC	**2,188**	1,499
	156,456	149,704

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 bill dates is as follows:

	30 June 2026 *RMB million*	31 December 2025 *RMB million*
Within 1 year	**124,002**	120,847
Over 1 year	**32,454**	28,857
	156,456	149,704

11. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has been authorised by 2025 Annual General Meeting to decide on the interim profit distribution plan. Pursuant to a resolution passed at the Board of Directors' meeting on 20 August 2026, the Board of Directors has resolved to declare an interim dividend of RMB0.1606 per share (pre-tax), totalling approximately RMB14,696 million, for the six-month period ended 30 June 2026. The dividend has not been provided for in the condensed consolidated financial information for the six-month period ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six-month period ended 30 June 2026, 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 2026.

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 2026. 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 2026.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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. Based on the written confirmations from the Directors, the Company's Directors have confirmed their compliance with the Model Code regarding the requirements in conducting securities transactions for the period from 1 January 2026 to 30 June 2026.

INTERIM DIVIDEND

Authorisation to the Board of the Company to decide on the interim profit distribution plan of the Company for year 2026 has been approved by the shareholders at the Annual General Meeting for the year 2025 held on 19 May 2026. 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 approximately RMB14,696 million to all shareholders, representing 75% of the profit attributable to equity holders of the Company in the amount of RMB19,588 million for the six months ended 30 June 2026. 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 2026, an interim dividend of RMB0.1606 per share (equivalent to HK$0.185633) (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 13 October 2026 to those shareholders whose names appear on the H Share Register of Members of the Company on Wednesday, 9 September 2026. For the purpose of determining H Share shareholders' entitlement to the interim dividend, the H Share Register of Members will be closed from Friday, 4 September 2026 to Wednesday, 9 September 2026 (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, 3 September 2026. 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., 20 August 2026) (RMB0.865150 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 2026 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, 9 September 2026.

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 the 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 the 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 the 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 the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the 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 their 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, 9 September 2026 (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, 3 September 2026. 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 depositary 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 13 October 2026. 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 13 October 2026. 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 2026 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) and the website of the Company (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, 20 August 2026

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. Lee Sunny Wai Kwong, Mr. Liang Xuming and Madam Chen Ji Min (all as the Independent Non-Executive Directors); Madam Guan Lixin (as the Employee Director).