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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)

THE FIRST THREE QUARTERS REPORT OF 2026

The unaudited financial data of the Group for the first three quarters of 2026

— Operating revenues amounted to RMB382.4 billion, and revenue from principal businesses amounted to RMB359.3 billion

— EBITDA amounted to RMB108.0 billion

— Profit attributable to equity holders of the Company amounted to RMB26.2 billion

The board of directors (the "Board") of China Telecom Corporation Limited (the "Company", together with its subsidiaries, the "Group") hereby announces the results of the Group for the nine months ended 30 September 2026. This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

KEY FINANCIAL DATA

Financial information set out in this announcement has been prepared in accordance with the IFRS Accounting Standards.

Amounts expressed in RMB million unless otherwise specified

Item	For the nine months ended 30 September 2026 (the "reporting period")	The year-on-year increase/decrease in the reporting period *(%)*
Operating revenues	**382,402**	(3.7)
Profit attributable to equity holders of the Company	**26,207**	(14.8)
Basic earnings per share *(RMB per share)*	**0.29**	(14.8)

	As at the end of the reporting period	As at the end of last year	Increase/decrease as at the end of the reporting period as compared to the end of last year *(%)*
Total assets	**879,463**	870,644	1.0
Equity attributable to equity holders of the Company	**463,883**	460,828	0.7

BUSINESS DATA

	As at 30 September 2026/ For the period from 1 January 2026 to 30 September 2026	As at 30 September 2025/ For the period from 1 January 2025 to 30 September 2025
Mobile Subscribers *(Million)*	**445.27**	437.19
Net Increase of Mobile Subscribers *(Million)*	**6.62**	12.67
5G Network Subscribers *(Million)*	**330.39**	292.41
Net Increase of 5G Network Subscribers *(Million)*	**28.58**	41.68
Handset Data Traffic *(kTB)*	**87,125.8**	77,332.6
Wireline Broadband Subscribers *(Million)*	**201.49**	200.49
Net Increase of Wireline Broadband Subscribers *(Million)*	**0.37**	3.05

Note: Mobile subscribers and net increase of mobile subscribers include 5G network subscribers and net increase of 5G network subscribers.

In the first three quarters of 2026, with full implementation of the "Cloudification, Digital Transformation and AI for Good" strategy, the Company maintained stable operating performance, refreshed its growth drivers and optimised its business structure. Operating revenues amounted to RMB382.4 billion, and revenue from principal businesses[1] amounted to RMB359.3 billion, remaining stable on a comparable basis[2]. Revenue from Communications Business amounted to RMB313.1 billion, and revenue from Intelligence Business reached RMB46.2 billion. EBITDA[3] amounted to RMB108.0 billion. Profit attributable to equity holders of the Company amounted to RMB26.2 billion, maintaining favourable growth on a comparable basis.

Persistence in Token operations as the main theme, the Company accelerated its progress towards becoming a leading AI service provider. It undertook the appropriate forward-thinking construction of a new-generation communications network and a computing power network and continuously upgraded the Xingchen TokenHub platform, driving rapid growth in daily Token call volume usage. While accelerating the rollout of intelligent-cloud city and launching Xingchen super intelligent agent TeleAgent, the Company expedited the popularisation of AI applications and continuously expanded its user scale, constantly forging new growth poles for the corporate transformation and development.

The Company will continue to transform itself into a service-oriented, technology-oriented and secured enterprise, accelerate the transformation of sci-tech achievements into real productivity and promote the scale development of new quality productive forces. It will continue to deepen the construction of its Five-Sphere Integrated intelligent cloud system, strive to promote Token operations, further deepen reform and opening up on all fronts with "Intelligence Transformation" at the core and continuously enhance its core functions and core competitiveness, accelerating its development as a world-class enterprise and proactively bringing returns to 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 three quarters of 2026

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

QUARTERLY FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

at 30 September 2026

(Amounts in million)

	30 September 2026	31 December 2025
	RMB	*RMB*
ASSETS		
Non-current assets		
Property, plant and equipment, net	**385,570**	416,183
Construction in progress	**69,520**	56,481
Right-of-use assets	**51,365**	58,103
Goodwill	**30,912**	30,914
Intangible assets	**25,576**	28,439
Interests in associates and joint ventures	**48,153**	45,280
Financial assets at fair value through profit or loss	**25,947**	923
Financial assets at fair value through other comprehensive income	**1,551**	1,878
Deferred tax assets	**1,344**	1,002
Long-term bank deposits	**794**	11,210
Other assets	**17,432**	14,096
Total non-current assets	**658,164**	664,509
Current assets		
Inventories	**4,378**	3,431
Income tax recoverable	**207**	74
Accounts receivable, net	**72,076**	53,146
Contract assets	**4,232**	4,123
Prepayments and other current assets	**33,107**	33,845
Financial assets at fair value through profit or loss	**32,107**	11,709
Financial assets at fair value through other comprehensive income	**4,348**	–
Bank deposits and restricted cash	**35,022**	38,413
Cash and cash equivalents	**35,822**	61,394
Total current assets	**221,299**	206,135
Total assets	**879,463**	870,644

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) (Continued)

at 30 September 2026

(Amounts in million)

	30 September 2026	31 December 2025
	RMB	*RMB*
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debts	**1,810**	2,448
Current portion of long-term debts	**1,262**	1,466
Accounts payable	**153,236**	149,704
Accrued expenses and other payables	**93,431**	87,180
Contract liabilities	**62,182**	67,113
Income tax payable	**3,961**	1,563
Current portion of lease liabilities	**21,856**	14,239
Total current liabilities	**337,738**	323,713
Net current liabilities	**(116,439)**	(117,578)
Total assets less current liabilities	**541,725**	546,931
Non-current liabilities		
Long-term debts	**5,444**	6,109
Lease liabilities	**17,312**	25,051
Deferred tax liabilities	**39,672**	39,294
Other non-current liabilities	**7,849**	8,217
Total non-current liabilities	**70,277**	78,671
Total liabilities	**408,015**	402,384
Equity		
Share capital	**91,507**	91,507
Reserves	**372,376**	369,321
Total equity attributable to equity holders of the Company	**463,883**	460,828
Non-controlling interests	**7,565**	7,432
Total equity	**471,448**	468,260
Total liabilities and equity	**879,463**	870,644

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the nine-month period ended 30 September 2026

(Amounts in million)

	Nine-month period ended 30 September	
	2026	2025
	RMB	*RMB*
Operating revenues	**382,402**	396,998
Operating expenses		
Depreciation and amortisation	**(77,163)**	(77,893)
Network operations and support	**(109,719)**	(114,890)
Selling, general and administrative	**(47,591)**	(49,272)
Personnel expenses	**(77,021)**	(75,218)
Other operating expenses	**(40,032)**	(41,986)
Total operating expenses	**(351,526)**	(359,259)
Operating profit	**30,876**	37,739
Net finance costs	**(196)**	(454)
Investment income and others	**1,165**	206
Share of profits of associates and joint ventures	**2,523**	1,959
Profit before taxation	**34,368**	39,450
Income tax	**(8,181)**	(8,679)
Profit for the period	**26,187**	30,771
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	**(73)**	96
Deferred tax on change in fair value of investments in equity instruments at fair value through other comprehensive income	**16**	(22)
	(57)	74

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

for the nine-month period ended 30 September 2026

(Amounts in million except for per share data)

	Nine-month period ended 30 September	
	2026	2025
	RMB	*RMB*
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of financial statements of subsidiaries outside mainland China and others	**(556)**	(3)
	(556)	(3)
Other comprehensive income for the period, net of tax	**(613)**	71
Total comprehensive income for the period	**25,574**	30,842
Profit attributable to		
Equity holders of the Company	**26,207**	30,773
Non-controlling interests	**(20)**	(2)
Profit for the period	**26,187**	30,771
Total comprehensive income attributable to		
Equity holders of the Company	**25,593**	30,844
Non-controlling interests	**(19)**	(2)
Total comprehensive income for the period	**25,574**	30,842
Basic earnings per share *(RMB)*	**0.29**	0.34
Diluted earnings per share *(RMB)*	**0.29**	0.34

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the nine-month period ended 30 September 2026

(Amounts in million)

	Note	Nine-month period ended 30 September	
		2026	2025
		RMB	*RMB*
Net cash from operating activities	*(a)*	**98,436**	87,421
Cash flows used in investing activities			
Capital expenditure		**(43,956)**	(44,810)
Investment in associates and joint ventures		**(1,584)**	(75,558)
Payments for right-of-use assets		**(5)**	(26)
Proceeds from disposal of property, plant and equipment		**968**	1,261
Proceeds from disposal of right-of-use assets		**295**	408
Payments for financial assets at fair value through profit or loss		**(171,691)**	6
Proceeds from disposal of financial assets at fair value through profit or loss		**127,104**	46,818
Payments for financial assets at fair value through other comprehensive income		**(4,400)**	(500)
Proceeds from disposal of financial assets at fair value through other comprehensive income		**301**	–
Placement of bank deposits and others		**(16,810)**	(41,766)
Maturity of bank deposits		**29,810**	27,769
Short-term loans granted to China Telecom Group by Finance Company		**(2,000)**	(2,071)
China Telecom Group's repayments of short-term loans granted by Finance Company		**2,099**	2,045
Net cash inflow from acquisition of subsidiary		**–**	1,466
Net cash used in investing activities		**(79,869)**	(84,958)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (Continued)

for the nine-month period ended 30 September 2026

(Amounts in million)

	Nine-month period ended 30 September	
	2026	2025
	RMB	*RMB*
Cash flows used in financing activities		
Repayments of principal of lease liabilities	**(6,368)**	(12,120)
Proceeds from bank and other loans	**3,137**	6,064
Repayments of bank and other loans	**(10,010)**	(7,649)
Payments of dividends	**(20,881)**	(25,064)
Contribution from non-controlling interests	**627**	99
Net withdrawal of deposits by China Telecom Group to Finance Company	**(11,226)**	(1,422)
Decrease in statutory deposit reserves placed by Finance Company	**792**	40
Others	**–**	19
Net cash used in financing activities	**(43,929)**	(40,033)
Net decrease in cash and cash equivalents	**(25,362)**	(37,570)
Cash and cash equivalents as at 1 January	**61,394**	82,207
Effect of changes in foreign exchange rate	**(210)**	(43)
Cash and cash equivalents as at 30 September	**35,822**	44,594

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (Continued)

for the nine-month period ended 30 September 2026

(Amounts in million)

(a) Reconciliation of profit before taxation to net cash from operating activities

	Nine-month period ended 30 September	
	2026	2025
	RMB	*RMB*
Profit before taxation	**34,368**	39,450
Adjustment for:		
Depreciation and amortisation	**77,163**	77,893
Impairment losses for financial assets and contract assets, net of reversal	**8,414**	7,593
Write-down of inventories, net of reversal	**(5)**	10
Investment income and others	**(1,165)**	(211)
Share of profits of associates and joint ventures	**(2,523)**	(1,959)
Interest income	**(1,167)**	(1,348)
Net interest expense	**1,272**	1,563
Net foreign exchange gain or loss and others	**91**	239
Net loss on retirement and disposal of long-lived assets and others	**(17)**	758
	116,431	123,988
Increase in accounts receivable	**(27,019)**	(34,758)
Increase in contract assets	**(259)**	(486)
Increase in inventories	**(936)**	(511)
Increase in prepayments and other current assets	**(109)**	(1,603)
Decrease in restricted cash	**62**	36
Increase in other assets	**(2,820)**	(1,258)
Increase/(decrease) in accounts payable	**6,817**	(5,930)
Increase in accrued expenses and other payables	**15,771**	17,056
Decrease in contract liabilities	**(4,865)**	(4,875)
Cash generated from operations	**103,073**	91,659
Interest received	**979**	747
Interest paid	**(1,287)**	(1,456)
Investment income and dividends received	**1,544**	1,566
Income tax paid	**(5,873)**	(5,095)
Net cash from operating activities	**98,436**	87,421

The Board wishes to remind investors that the above financial and business data are based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such data.

In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.

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

Beijing, China, 22 October 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).