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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)**

### **PRELIMINARY ANNUAL RESULTS FOR THE YEAR OF 2023**

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 (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

China Telecom Corporation Limited (the "Company", together with its subsidiaries, the "Group") firmly formulates the goals and vision of a service-oriented, technology-oriented and secured enterprise, continues to fully and deeply implement its Cloudification and Digital Transformation strategy, and earnestly promotes the action of "enhancing quality and efficiency, focusing on returns" to protect the interests of all shareholders and establish a sound image in the capital market.

#### **I. COMPREHENSIVE AND IN-DEPTH IMPLEMENTATION OF CLOUDIFICATION AND DIGITAL TRANSFORMATION STRATEGY**

At present, the new round of sci-tech revolution and industrial transformation is developing in depth, the building of Digital China is continuously advancing, and the construction of digital economy with data as the key element is accelerating. In the face of the vast market space brought by the continuous upgrading of economic and social digitalisation needs, while based on the new development stage, the Company implements the new development principles completely, accurately and comprehensively, proactively serves and integrates into the new development pattern and firmly fulfills its responsibilities in building Cyberpower and Digital China, as well as in safeguarding network and information security. The Company comprehensively and deeply implements its Cloudification and Digital Transformation strategy and solidly advances the building of a service-oriented, technology-oriented and secured enterprise. With new breakthrough in sci-tech innovation, the Company accelerates the construction and upgrade of digital information infrastructure, comprehensively completes the strategic emerging business layout, continuously deepens corporate reform and enhances corporate governance levels, and continues to share the new achievements of its high-quality development with shareholders, customers and the society.

## II. ATTACH GREAT IMPORTANCE TO SHAREHOLDER RETURNS

The Company attaches great importance to shareholder returns and strives to enhance its profitability and cash flow generation capabilities. The dividend payout ratio of the Company for the year of 2021 reached 60%, representing an increase of nearly 20 percentage points compared to that for the year of 2020. For the year of 2022, the Company introduced the payment of interim dividend and further increased the annual dividend payout ratio to 65%. With respect to the year of 2023, the Company will actively fulfill its commitment of "within three years after the A Share offering and listing, the profit to be distributed by the Company in cash for each year will gradually increase to 70% or above of the profit attributable to equity holders of the Company for that year" and continue to create more value for all shareholders.

## III. STRENGTHEN COMMUNICATION WITH INVESTORS

The Company will continue to strengthen communication and interaction with investors centered around the creation, dissemination and realisation of corporate value. The Company will hold results briefings at least three times a year, provide important information to the capital market and the media and actively respond to investor concerns through various activities such as investor briefings and investor roadshows, while promoting the understandings of the Company's businesses and the overall development of the industry and consolidating the long-term, stable and mutually trusting relationship between the Company and investors.

## IV. PRELIMINARY ANNUAL RESULTS FOR THE YEAR OF 2023

The key financial data and indicators of the Group for the year ended 31 December 2023 (the "reporting period") as set out in this announcement are preliminary figures prepared in accordance with Chinese Accounting Standard and have not been audited by an accounting firm. The final figures will be based on those to be disclosed in the 2023 annual report of the Company. Investors should be aware of the investment risks.

### (1) KEY FINANCIAL DATA AND INDICATORS OF 2023

Unit: million (unless otherwise specified) Currency: RMB

Items	For the reporting period	Same period over last year	Increase/decrease (%)
Operating revenues	507,843	474,967	6.9
Operating profit	42,569	41,304	3.1
Total profit	39,204	35,714	9.8
Net profit attributable to equity holders of the Company	30,446	27,593	10.3
Net profit attributable to equity holders of the Company after deduction of non-recurring profit and loss	29,553	27,189	8.7
Basic earnings per share (RMB yuan)	0.33	0.30	10.3
Weighted average return on net assets (%)	6.9	6.4	representing an increase of 0.5 percentage points

	As at the end of the reporting period	As at the beginning of the reporting period	Increase/decrease (%)
Total assets	835,814	807,698	3.5
Equity attributable to equity holders of the Company	442,926	432,089	2.5
Share capital	91,507	91,507	0.0
Net assets per share attributable to equity holders of the Company (RMB yuan)	4.8	4.7	2.5

## **(2) DETAILS OF OPERATING CONDITIONS FOR THE YEAR OF 2023**

In 2023, the Company firmly seized the opportunity of the development of digital economy, continued to promote the transformation and upgrades of its fundamental businesses, and constantly enhanced capabilities of digital products and services supply, maintaining the steady growth of its fundamental businesses. The Company comprehensively renewed 5G applications, continuously improved ultra-Gigabit broadband access capacity, strengthened the layout of digital platform scenes and integrated development, and launched more intelligent cloud networks, more enriched cloud applications, and more tailored cloud services, which had been integrated into urban governance and served thousands of families. In addition, the Company actively grasped the important role of digitalisation, networking and intelligence in the transformation and development of the economy and the society. Proactively leveraging its edges in cloud-network integration, customer resources and localised services, the Company laid out its strategic emerging industries in-depth. Driven by cloud computing and computing power, AI, security, digital platforms, Big Data, Quantum and new-generation information and communication, the Company further strengthened its industry capabilities platform, enhanced the capabilities of digital products and services, facilitated the in-depth integration of digital technologies and with the real economy and empowered numerous walks of life.

## **V. RISK WARNING**

The key financial data and indicators for the year of 2023 as set out in this announcement are preliminary figures prepared in accordance with Chinese Accounting Standard and have not been audited by an accounting firm. The final figures will be based on those to be disclosed in the 2023 annual report of the Company. Investors should be aware of the investment risks.

**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, 4 March 2024

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. Shao Guanglu (as the President and Chief Operating Officer); Mr. Liu Guiqing, Mr. Tang Ke and Mr. Li Yinghui (as the Chief Financial Officer) (all as the Executive Vice Presidents); Mr. Li Jun; Mr. Chen Shengguang (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).