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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 2024**

#### **The unaudited financial data of the Group for the first three quarters of 2024**

- Operating revenues were RMB394,718 million, representing an increase of 2.7% over the same period of last year; of which service revenues were RMB362,886 million, representing an increase of 3.8% over the same period of last year
- EBITDA was RMB111,023 million, representing an increase of 5.1% over the same period of last year
- Profit attributable to equity holders of the Company was RMB29,299 million, representing an increase of 8.1% over the same period of last year

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 2024. 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*

<b>Item</b>	<b>For the nine months ended 30 September 2024 (the “reporting period”)</b>	<b>The year-on-year increase/decrease in the reporting period (%)</b>	
Operating revenues	<b>394,718</b>	2.7	
Profit attributable to equity holders of the Company	<b>29,299</b>	8.1	
Basic earnings per share (RMB per share)	<b>0.32</b>	8.1	
		<b>Increase/decrease as at the end of the reporting period as compared to the end of last year (%)</b>	
	<b>As at the end of the reporting period</b>	<b>As at the end of last year</b>	
Total assets	<b>865,468</b>	835,814	3.5
Equity attributable to equity holders of the Company	<b>448,451</b>	442,926	1.2

## BUSINESS DATA

	<b>As at 30 September 2024/ For the period from 1 January 2024 to 30 September 2024</b>	<b>As at 30 September 2023/ For the period from 1 January 2023 to 30 September 2023</b>
Mobile Subscribers (Million)	422.67	405.81
Net Increase of Mobile Subscribers (Million)	14.90	14.63
5G Package Subscribers (Million)	345.06	307.61
Net Increase of 5G Package Subscribers (Million)	26.40	39.65
Handset Data Traffic (kTB)	66,153.5	52,190.2
Wireline Broadband Subscribers (Million)	196.26	189.26
Net Increase of Wireline Broadband Subscribers (Million)	6.10	8.36
Access Lines in Service (Million)	98.00	102.13
Net Increase/(Decrease) of Access Lines in Service (Million)	(3.02)	(2.82)

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

In the first three quarters of 2024, the Company resolutely fulfilled its responsibilities in building Cyberpower and Digital China as well as safeguarding network and information security, and continued to deeply implement its Cloudification and Digital Transformation strategy. Insisting on driving forces from the dual engines of its fundamental and Industrial Digitalisation businesses and leveraging the leading role of sci-tech innovation, the Company deepened reforms and opening up on all fronts and accelerated the development of new quality productive forces according to its own conditions, continuously achieving new results in high-quality development.

In the first three quarters of 2024, operating revenues were RMB394,718 million, representing an increase of 2.7% over the same period of last year, of which service revenues<sup>1</sup> were RMB362,886 million, representing an increase of 3.8% over the same period of last year. The profit attributable to equity holders of the Company was RMB29,299 million, representing an increase of 8.1% over the same period of last year. Basic earnings per share were RMB0.32. EBITDA<sup>2</sup> was RMB111,023 million, representing an increase of 5.1% over the same period of last year. EBITDA margin<sup>3</sup> was 30.6%.

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

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

<sup>3</sup> EBITDA margin = EBITDA/service revenues.

In terms of mobile communications services, the Company promoted the accelerated integration of standard products with strategic emerging elements such as cloud, artificial intelligence (AI), quantum and satellites and sped up the enrichment of contents and intelligent upgrades of platforms with a focus on integration scenarios, resulting in continuous enhancement of mobile business value. In the first three quarters of 2024, mobile communications service revenues amounted to RMB156,823 million, representing an increase of 3.2% over the same period of last year. The total number of mobile subscribers reached 423 million with a net addition of 14.90 million. The number of 5G package subscribers reached 345 million with a net addition of 26.40 million, while the penetration rate reached 81.6%. The mobile ARPU<sup>4</sup> amounted to RMB45.6 and remained stable.

In terms of wireline and Smart Family services, the Company accelerated FTTR upgrades and the expansion of Gigabit broadband applications, continuously upgraded applications and services of Whole-home Intelligence and enhanced the AI upgrades as well as integration and mutual promotion of platforms such as Smart Family, Smart Community and Digital Village, creating the living and service circles for communities/villages. In the first three quarters of 2024, the Company's wireline and Smart Family service revenues reached RMB95,624 million, representing an increase of 2.9% over the same period of last year. The number of wireline broadband subscribers reached 196 million. Revenue from Smart Family increased by 17.0% year-on-year, and the broadband blended ARPU<sup>5</sup> amounted to RMB47.8. The value contribution from Smart Family continued to improve.

In terms of Industrial Digitalisation, the Company firmly seized opportunities arising from the digital transformation of the economy and society to continuously develop key industries and constantly expand its ecological cooperation. The Company satisfied the demands for digitalisation from thousands of industries by leveraging “network + cloud + AI + applications” and promoted the rapid development of strategic emerging businesses, facilitating the in-depth integration of digital technologies with the real economy. In the first three quarters of 2024, the Company's Industrial Digitalisation service revenues reached RMB105,549 million, representing a year-on-year increase of 5.8%.

<sup>4</sup> Mobile ARPU = monthly average revenues from mobile services/the average number of mobile subscribers.

<sup>5</sup> Broadband blended ARPU = monthly average revenues from broadband access and Smart Family/the average number of broadband subscribers.

In the first three quarters of 2024, the Company's operating expenses were RMB358,334 million, representing an increase of 2.3% over the same period of last year. Of which, the network operations and support expenses were RMB118,457 million, representing an increase of 3.5% over the same period of last year. It was mainly attributable to the fact that the Company firmly seized the strategic opportunities arising from the rapid development of digital economy and increased investment in key areas such as sci-tech innovation and Industrial Digitalisation, while strengthening intelligent operation to promote costs reduction and efficiency enhancement and continuously improving resource efficiency. Personnel expenses were RMB75,438 million, representing an increase of 2.3% over the same period of last year, which was mainly due to the strengthened recruitment of sci-tech and innovative talents and increased incentives for frontline employees and high-performance teams. The net finance costs amounted to RMB518 million, representing a decrease of 12.2% over the same period of last year, mainly due to the decrease in lease liability interest expenses.

In the future, the Company will proactively seize the development trends of the new round of sci-tech revolution and industrial transformation and continue to deeply implement its Cloudification and Digital Transformation strategy. While firmly promoting the building of a service-oriented, technology-oriented and secured enterprise, the Company will further deepen reforms on all fronts, comprehensively push forward high-quality development, continue to enhance its core functions and core competitiveness, accelerate the building of a world-class enterprise and continuously enhance its corporate value.

## QUARTERLY FINANCIAL STATEMENTS

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

at 30 September 2024

(Amounts in million)

	30 September 2024 RMB	31 December 2023 RMB
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment, net	401,843	409,943
Construction in progress	81,048	72,238
Right-of-use assets	69,789	76,908
Goodwill	29,923	29,923
Intangible assets	21,795	22,702
Interests in associates and joint ventures	43,393	43,158
Financial assets at fair value through profit or loss	378	397
Equity instruments at fair value through other comprehensive income	1,064	1,426
Deferred tax assets	663	1,347
Other assets	19,590	9,909
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>669,486</b>	<b>667,951</b>
<b>Current assets</b>		
Inventories	4,270	3,417
Income tax recoverable	37	140
Accounts receivable, net	59,851	32,210
Contract assets	6,246	4,665
Prepayments and other current assets	31,715	35,580
Short-term bank deposits and restricted cash	20,525	10,805
Cash and cash equivalents	73,338	81,046
	<hr/>	<hr/>
<b>Total current assets</b>	<b>195,982</b>	<b>167,863</b>
	<hr/>	<hr/>
<b>Total assets</b>	<b>865,468</b>	<b>835,814</b>

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

at 30 September 2024

(Amounts in million)

	<b>30 September 2024 RMB</b>	31 December 2023 RMB
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Short-term debts	2,638	2,867
Current portion of long-term debts	1,063	1,133
Accounts payable	158,699	145,872
Accrued expenses and other payables	90,761	74,260
Contract liabilities	58,013	65,417
Income tax payable	5,530	488
Current portion of lease liabilities	14,377	13,399
	<u>331,081</u>	<u>303,436</u>
<b>Total current liabilities</b>	<b>331,081</b>	<b>303,436</b>
	<u>(135,099)</u>	<u>(135,573)</u>
<b>Net current liabilities</b>	<b>(135,099)</b>	<b>(135,573)</b>
	<u>534,387</u>	<u>532,378</u>
<b>Total assets less current liabilities</b>	<b>534,387</b>	<b>532,378</b>
<b>Non-current liabilities</b>		
Long-term debts	7,667	5,142
Lease liabilities	35,571	42,650
Deferred tax liabilities	30,515	31,025
Other non-current liabilities	7,880	6,394
	<u>81,633</u>	<u>85,211</u>
<b>Total non-current liabilities</b>	<b>81,633</b>	<b>85,211</b>
	<u>412,714</u>	<u>388,647</u>
<b>Total liabilities</b>	<b>412,714</b>	<b>388,647</b>
<b>Equity</b>		
Share capital	91,507	91,507
Reserves	356,944	351,419
	<u>448,451</u>	<u>442,926</u>
<b>Total equity attributable to equity holders of the Company</b>	<b>448,451</b>	<b>442,926</b>
<b>Non-controlling interests</b>	<b>4,303</b>	<b>4,241</b>
	<u>452,754</u>	<u>447,167</u>
<b>Total equity</b>	<b>452,754</b>	<b>447,167</b>
	<u>865,468</u>	<u>835,814</u>
<b>Total liabilities and equity</b>	<b>865,468</b>	<b>835,814</b>

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

*for the nine-month period ended 30 September 2024*

*(Amounts in million)*

	<b>Nine-month period ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB</b>	<b>RMB</b>
<b>Operating revenues</b>	<b>394,718</b>	384,254
<b>Operating expenses</b>		
Depreciation and amortisation	(74,639)	(71,811)
Network operations and support	(118,457)	(114,420)
Selling, general and administrative	(48,560)	(48,826)
Personnel expenses	(75,438)	(73,760)
Other operating expenses	(41,240)	(41,600)
	<u>(358,334)</u>	<u>(350,417)</u>
<b>Operating profit</b>	<b>36,384</b>	33,837
Net finance costs	(518)	(590)
Investment income and others	87	225
Share of profits of associates and joint ventures	1,759	1,542
	<u>37,712</u>	<u>35,014</u>
<b>Profit before taxation</b>	<b>37,712</b>	35,014
Income tax	(8,372)	(7,871)
	<u>29,340</u>	<u>27,143</u>
<b>Profit for the period</b>	<b>29,340</b>	27,143
<b>Other comprehensive income for the period</b>		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments in equity instruments at fair value through other comprehensive income	(392)	10
Deferred tax on change in fair value of investments in equity instruments at fair value through other comprehensive income	101	(5)
	<u>(291)</u>	<u>5</u>



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

*for the nine-month period ended 30 September 2024*

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

	<b>Nine-month period ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>RMB</b>	RMB
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of financial statements of subsidiaries outside mainland China	(78)	137
Share of other comprehensive income of associates and joint ventures	—	2
	<u>(78)</u>	<u>139</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>(369)</u>	<u>144</u>
<b>Total comprehensive income for the period</b>	<u><b>28,971</b></u>	<u>27,287</u>
<b>Profit attributable to</b>		
Equity holders of the Company	29,299	27,101
Non-controlling interests	41	42
	<u>29,340</u>	<u>27,143</u>
<b>Profit for the period</b>	<u><b>29,340</b></u>	<u>27,143</u>
<b>Total comprehensive income attributable to</b>		
Equity holders of the Company	28,930	27,245
Non-controlling interests	41	42
	<u>28,971</u>	<u>27,287</u>
<b>Total comprehensive income for the period</b>	<u><b>28,971</b></u>	<u>27,287</u>
<b>Basic earnings per share (RMB)</b>	<u><b>0.32</b></u>	<u>0.30</u>
<b>Diluted earnings per share (RMB)</b>	<u><b>0.32</b></u>	<u>0.30</u>
<b>Number of shares (in million)</b>	<u><b>91,507</b></u>	<u>91,507</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

*for the nine-month period ended 30 September 2024*

*(Amounts in million)*

		<b>Nine-month period ended</b>	
	<i>Note</i>	<b>30 September</b>	
		<b>2024</b>	2023
		<b>RMB</b>	<b>RMB</b>
<b>Net cash from operating activities</b>	<i>(a)</i>	<b>97,316</b>	112,330
<b>Cash flows used in investing activities</b>			
Capital expenditure		(58,238)	(60,564)
Purchase of investments		(124)	(24)
Payments for right-of-use assets		(51)	(156)
Proceeds from disposal of property, plant and equipment		994	573
Proceeds from disposal of right-of-use assets		72	15
Proceeds from disposal of investments		22	70
Payments for equity instruments at fair value through other comprehensive income		(30)	(30)
Purchase of bank deposits		(34,116)	(6,304)
Maturity of bank deposits		14,529	4,837
Short-term loans granted to China Telecom Group by Finance Company		(2,051)	(6,100)
China Telecom Group's repayments of short-term loans granted by Finance Company		10,080	6,071
<b>Net cash used in investing activities</b>		<b>(68,913)</b>	(61,612)
<b>Cash flows used in financing activities</b>			
Repayments of principal of lease liabilities		(10,725)	(9,030)
Proceeds from bank and other loans		5,675	2,900
Repayments of bank and other loans		(6,224)	(7,293)
Contribution from non-controlling interests		29	–
Payments of dividends		(21,300)	(20,058)
Distribution to non-controlling interests		(8)	(1)
Net deposits by China Telecom Group with Finance Company		(3,143)	(7,522)
(Increase)/decrease in statutory deposit reserves placed by Finance Company		(384)	213
<b>Net cash used in financing activities</b>		<b>(36,080)</b>	(40,791)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(7,677)</b>	9,927
<b>Cash and cash equivalents as at 1 January</b>		<b>81,046</b>	72,465
<b>Effect of changes in foreign exchange rate</b>		<b>(31)</b>	53
<b>Cash and cash equivalents as at 30 September</b>		<b>73,338</b>	82,445

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

for the nine-month period ended 30 September 2024

(Amounts in million)

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

	<b>Nine-month period ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>RMB</b>	<b>RMB</b>
<b>Profit before taxation</b>	<b>37,712</b>	35,014
Adjustment for:		
Depreciation and amortisation	<b>74,639</b>	71,811
Impairment losses for financial assets and contract assets, net of reversal	<b>5,444</b>	4,254
Write-down of inventories, net of reversal	<b>(18)</b>	24
Investment income and others	<b>(123)</b>	(227)
Share of profits of associates and joint ventures	<b>(1,759)</b>	(1,542)
Interest income	<b>(1,482)</b>	(1,568)
Net interest expense	<b>1,794</b>	1,905
Net foreign exchange gain or loss and others	<b>206</b>	253
Net loss on retirement and disposal of long-lived assets and others	<b>1,233</b>	2,260
	<b>117,646</b>	112,184
Increase in accounts receivable	<b>(33,302)</b>	(32,166)
Increase in contract assets	<b>(1,697)</b>	(930)
Increase in inventories	<b>(834)</b>	(1,525)
Increase in prepayments and other current assets	<b>(3,816)</b>	(265)
Decrease in restricted cash	<b>121</b>	92
Decrease/(increase) in other assets	<b>989</b>	(251)
Increase in accounts payable	<b>10,755</b>	23,482
Increase in accrued expenses and other payables	<b>16,624</b>	20,171
Decrease in contract liabilities	<b>(7,395)</b>	(6,195)
<b>Cash generated from operations</b>	<b>99,091</b>	114,597
Interest received	<b>1,270</b>	1,557
Interest paid	<b>(1,688)</b>	(2,028)
Investment income received	<b>1,593</b>	1,367
Income tax paid	<b>(2,950)</b>	(3,163)
<b>Net cash from operating activities</b>	<b>97,316</b>	112,330

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 2024

### ***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. Liang Baojun (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).