



Press Release
20 August 2024
For Immediate Release

**China Telecom Corporation Limited
Announces Interim Results for Year 2024**

**Steady growth of operating results
High-quality development maintained sound momentum
Sci-tech innovation further strengthened
Development of new quality productive forces accelerated**

FINANCIAL HIGHLIGHTS¹

<i>(RMB Million)</i>	2023 First Half	2024 First Half	Rate of change
Operating Revenues	260,664	268,011	2.8%
Service Revenues ²	235,977	246,235	4.3%
of which: Mobile communications service revenues	101,607	105,217	3.6%
Wireline and Smart Family service revenues	62,024	63,993	3.2%
Industrial Digitalisation service revenues	68,802	73,750	7.2%
EBITDA ³	73,346	76,792	4.7%
Net Profit ⁴	20,153	21,812	8.2%
EPS <i>(RMB)</i>	0.22	0.24	8.2%
ROE	4.6%	4.8%	0.2p.p.
Interim dividend per share <i>(RMB)</i>	0.1432	0.1671	16.7%

BUSINESS HIGHLIGHTS

<i>(Million)</i>	2023.12	2024.06	Net addition
Mobile Subscribers	407.77	416.85	9.08
of which: 5G Package Subscribers	318.66	336.63	17.97
Wireline Broadband Subscribers	190.16	193.35	3.19
IPTV Subscribers	127.81	128.49	0.68

¹ All figures are based on IFRS Accounting Standards.

² Service revenues are calculated based on operating revenues minus sales of mobile terminals, sales of wireline equipment and other non-service revenues.

³ EBITDA is calculated based on operating revenues minus operating expenses plus depreciation and amortisation.

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

China Telecom Corporation Limited (hereinafter “China Telecom” or the “Company”) (Stock Code on the Hong Kong Stock Exchange: 728) (Stock Code on the Shanghai Stock Exchange: 601728) announces its 2024 interim results today in Hong Kong.

In the first half of 2024, the Company firmly seized the development opportunities, implemented the new development principles completely, accurately and comprehensively, and resolutely fulfilled its responsibilities in building Cyberpower and Digital China, as well as safeguarding network and information security. The Company further deepened the implementation of its Cloudification and Digital Transformation strategy and accelerated the intelligent and green evolution and upgrades of the digital information infrastructure. The Company increased the supply of high-quality products and services and sped up the scale expansion of its strategic emerging businesses. The Company comprehensively deepened reforms and opening up and accelerated the development of new quality productive forces in light of its own conditions. The Company strove to develop itself into an enterprise with “three orientations”⁵ and further strengthened its core functions and enhanced its core competitiveness. The Company achieved new results in high-quality development and contributed to the advancement of Chinese modernisation with the strength of telecommunications.

Overall results

In the first half of 2024, the Company’s operating revenues amounted to RMB268.0 billion, representing an increase of 2.8% year-on-year. Of which, service revenues amounted to RMB246.2 billion, representing an increase of 4.3% year-on-year, remaining above the industry’s growth rate⁶. EBITDA amounted to RMB76.8 billion, representing an increase of 4.7% year-on-year. Net profit amounted to RMB21.8 billion, representing an increase of 8.2% year-on-year. The basic earnings per share were RMB0.24. Capital expenditure was RMB47.2 billion and free cash flow⁷ reached RMB15.5 billion.

The Company achieved stable growth of revenues from fundamental businesses and promoted value enhancement driven by application innovation, with its subscriber value rising continuously. Revenues from Industrial Digitalisation business achieved favourable growth, while the development quality steadily elevated. In the first half of the year, the Company’s mobile communications service revenues amounted to RMB105.2 billion, representing an increase of 3.6% year-on-year. Of which, revenues from mobile value-added and applications amounted to RMB18.1 billion, representing an increase of 17.1% year-on-year. The net addition of mobile subscribers was 9.08 million, bringing the total number of subscribers to 417 million. Mobile ARPU⁸ reached RMB46.3. Wireline and Smart Family service revenues amounted to RMB64.0 billion, representing an increase of 3.2% year-on-year. Of which,

⁵ Enterprise with “three orientations”: service-oriented, technology-oriented and secured enterprise.

⁶ According to the performance of the communications industry economy in the first half of 2024 released by MIIT.

⁷ Free cash flow is calculated based on EBITDA minus capital expenditure, income tax and depreciation charge for right-of-use assets other than land-use-rights.

⁸ Mobile ARPU = monthly average revenues from mobile services/the average number of mobile subscribers.

revenue from Smart Family business reached RMB10.7 billion, representing an increase of 14.4% year-on-year. The number of broadband subscribers reached 193 million with a net addition of 3.19 million. Broadband blended ARPU⁹ reached RMB48.3. Revenues from Industrial Digitalisation amounted to RMB73.7 billion, representing a year-on-year growth of 7.2%, accounting for 30.0% of service revenues, up by 0.8 p.p. year-on-year. Revenue from China Telecom Cloud amounted to RMB55.2 billion, representing an increase of 20.4% year-on-year.

The Company attaches great importance to shareholder returns and strives to enhance its profitability and cash flow generation capabilities. The Board of Directors has resolved to continue declaring an interim dividend in year 2024, and the profit to be distributed in cash represents over 70% of the profit attributable to equity holders of the Company for the first half of 2024, i.e., RMB0.1671 per share (pre-tax), representing an increase of 16.7% year-on-year. Within three years from 2024, the Company's profit to be distributed in cash will gradually increase to above 75% of the profit attributable to equity holders of the Company for the year, continuously creating more value for shareholders.

Firmly promoting the building of an enterprise with “three orientations”

Insisting on the customer-oriented approach, the Company accelerated the integration of new elements such as cloud, artificial intelligence (AI), quantum and satellite into standard products, to further enhance product capabilities, business value and service level. The Company sped up the enrichment of contents and intelligent upgrades of platforms with a focus on the integrated CHBG¹⁰ scenes to expand the digital platform business and the scale of fundamental connectivity, with an aim to promote the building of a service-oriented enterprise on all fronts. The Company further intensified its efforts to achieve breakthroughs in key core technologies and sped up the development of new quality productive forces with a focus on four technological directions, namely network, cloud and cloud-network integration, AI and quantum/security. The Company fully completed the deployment of sci-tech innovation and R&D system RDO¹¹, optimised the R&D organisational system and continued to strengthen fundamental research. The Company also optimised the building of sci-tech innovation demonstration bases and accelerated the launch of sci-tech achievements. The Company strengthened the building of network and information security capabilities, elevated the digital and intelligent level of risk monitoring and prevention, safeguarded the secure operation of cloud-network of the Company and provided security products and services for customers.

⁹ Broadband blended ARPU = monthly average revenues from broadband access and Smart Family/the average number of broadband subscribers.

¹⁰ CHBG: Customer, Home, Business, Government.

¹¹ RDO: fundamental research (R), applied technological research and development (D) and operational development (O).

Deeply implementing ‘AI+’

Grasping the development direction of AI, the Company deeply implemented “AI+” and completed the overall AI deployment of “1+1+1+M+N”¹² with “Xingchen” as the brand. The Company strengthened the integration and mutual promotion of capabilities in various fields, continuously enriched the Xingchen large model series product portfolio, empowered the intelligent transformation for thousands of industries, and supported enterprises to achieve costs reduction and efficiency enhancement. In terms of the intelligent computing cloud foundation, the Company established the leading integrated intelligent computing service capabilities, “Xirang”, to offer supreme computing power scheduling services, highly efficient integrated computing acceleration services and inclusive one-stop intelligent computing services, as well as a thriving model application ecosystem. The Company pushed forward the deployment of proprietary intelligent computing power with a hierarchical approach. “Xirang” has the access of a total of 22 EFLOPS¹³ of various types of intelligent computing power from 39 partners. The Company fully upgraded China Telecom Cloud products and ecological matrix, with China Telecom Cloud entering into the new development stage of intelligent cloud. In terms of the foundation for the general-purpose large models, the Company further enhanced the capabilities of large foundation models. The large language model, large speech model and large multimodal model of Xingchen series have all completed “dual recordation” of algorithms and services. The Company has launched 32 large vertical models in fields such as industrial, education, healthcare, as well as government administration, empowering 370 2B projects. The Company also launched 10 internal large models for customer service, network operations, office administration and other corporate operation segments. In terms of data foundation, the Company launched the “Data Chain AI Network (DCAN)” capability system, and created high-quality data sets that aggregate data from fields such as public, industry and internet. The Company created Xinghai data intelligent core platform which empowered more than 150 projects for government and enterprise customers. The Company also upgraded Lingze 2.0 data elements platform to serve public data operation and the construction of data infrastructure in 22 provinces and cities. The number of partners of data product supermarket model exceeded 1,300, with the number of data products exceeding 2,000.

Accelerating the intelligent and green upgrades of digital information infrastructure

Insisting on “network as the foundation and cloud as the core, while grasping the development direction of intelligence”, the Company continued to promote the evolution and upgrades of the digital information infrastructure. The Company built computing infrastructure with cloud-intelligence integration and training-inferencing integration, completed the construction of domestically leading all liquid-cooling pools with ten-thousand GPUs in Beijing-Tianjin-Hebei and the Yangtze River Delta, which already undertook training tasks for large models at the trillion parameter level. The Company deployed inferencing pools in 31 provinces to

¹² 1+1+1+M+N: 1 foundation for intelligent computing cloud, 1 foundation for the general-purpose large models, 1 data foundation, “M” refers to the number of large models for own use, and “N” refers to the number of large vertical models.

¹³ FLOPS: Floating-Point Operations Per Second, which is commonly used to estimate computer performance.

meet the inferencing demands from various AI applications. The newly added intelligent computing power was 10 EFLOPS, bringing the total to 21 EFLOPS. The Company promoted the comprehensive upgrade of datacentres to AIDC¹⁴ and achieved agile delivery of cabinets, elastic supply of cooling and power, as well as efficient energy use. Focusing on areas where AI industry concentrates with abundant computing power and clean energy, the Company built computing power interconnection networks with high throughput and low latency, which are also intelligent, inclusive and easy-to-use. The Company continued to optimise the latency circles with the latency of 1ms within cities, 5ms for intra-region and 20ms for inter-regions to consolidate the foundation for computing power connection. The Company built the 400Gbps all-fibre high-speed network which supports elastic bandwidth and time slicing. The Company has exclusive capabilities of quantum-encrypted dedicated lines within the industry to fulfil the demands for secure, elastic and inclusive transmissions in the era of AI. The number of 10G PON ports of Gigabit fibre network exceeded 9 million, with a coverage of 94% of residential areas in cities and towns. The Company carried out the deployment of 50G PON network to support the demands for 10-Gigabit access in locations such as key subdistricts, industrial parks and factories.

Outlook

Chairman Ke Ruiwen pointed out that, currently, the Company is at an important point of high-quality development. With three years after A Shares listing as a new start, the Company will seize new opportunities, embrace the new blue ocean and accelerate the development of new momentum and new edges. The Company will continue to deeply implement its Cloudification and Digital Transformation strategy, further deepen reforms on all fronts and fully promote high-quality development. Insisting on the customer-oriented principle, the Company will develop more high-quality, efficient, green and secure integrated intelligent information products and applications to further fulfil customers' aspirations for a better digital life. The Company will further boost the principal role of enterprises in sci-tech innovation, continue to enhance its independent innovation capability, strive for breakthroughs in key core technologies, accelerate the conversion and application of sci-tech achievements and ensure the steady and far-reaching corporate development with high-level security. The Company will strive to enhance corporate value, proactively bring returns to shareholders and vigorously write a chapter of Chinese modernisation for telecommunications.

For further information, please browse the Company's website at: www.chinatelecom-h.com or scan below QR code to follow China Telecom's IR public account on Wechat (content available in Chinese only).



¹⁴ AIDC: Artificial Intelligence Datacentre.

FORWARD-LOOKING STATEMENTS

The development strategies, future business plans, prospects and other forward-looking statements in this document do not constitute commitment by China Telecom Corporation Limited (the “Company”) to investors. 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, we do not intend to update these forward-looking statements. Investors are advised to pay attention to investment risks.

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