中国电信
CHINA TELECOM

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 2025

The unaudited financial data of the Group for the first three quarters of 2025

– Operating revenues were RMB397.0 billion, of which service revenues were RMB366.3 billion

– EBITDA was RMB115.6 billion, representing an increase of 4.2% year-on-year

– Profit attributable to equity holders of the Company was RMB30.8 billion, representing an increase of 5.0% year-on-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 2025. 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 2025 (the "reporting period")	The year-on-year increase/decrease in the reporting period *(%)*
Operating revenues	**396,998**	0.6
Profit attributable to equity holders of the Company	**30,773**	5.0
Basic earnings per share (RMB per share)	**0.34**	5.0

	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	**876,049**	866,625	1.1
Equity attributable to equity holders of the Company	**458,123**	452,390	1.3

BUSINESS DATA

	As at 30 September 2025/ For the period from 1 January 2025 to 30 September 2025	As at 30 September 2024/ For the period from 1 January 2024 to 30 September 2024
Mobile Subscribers (Million)	437.19	422.67
Net Increase of Mobile Subscribers (Million)	12.67	14.90
5G Network Subscribers (Million)	292.41	–
Net Increase of 5G Network Subscribers (Million)	41.68	–
Handset Data Traffic (kTB)	77,332.6	66,153.5
Wireline Broadband Subscribers (Million)	200.49	196.26
Net Increase of Wireline Broadband Subscribers (Million)	3.05	6.10

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 2025, the Company resolutely fulfilled its responsibilities in building China's strength in cyberspace, science and technology, Digital China, as well as safeguarding network and information security, and grasped the development opportunities arising from a new round of sci-tech revolution and industrial transformation. Having fully embraced artificial intelligence, the Company promoted the upgrade of its corporate strategy to "Cloudification, Digital Transformation and AI for Good", and further accelerated the transformation towards a service-oriented, technology-oriented and secured enterprise, continuously promoting the scale expansion of strategic emerging businesses and placing greater emphasis on the theme of high-quality development. The operating performance of the Company remained stable.

In the first three quarters of 2025, operating revenues were RMB397.0 billion, representing an increase of 0.6% year-on-year, of which service revenues[1] were RMB366.3 billion, representing an increase of 0.9% year-on-year. The profit attributable to equity holders of the Company was RMB30.8 billion, representing an increase of 5.0% year-on-year. Basic earnings per share were RMB0.34; EBITDA[2] was RMB115.6 billion, representing an increase of 4.2% year-on-year. EBITDA margin[3] was 31.6%.

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

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

3 EBITDA margin is calculated based on EBITDA divided by service revenues

Having adhered to a customer-oriented approach and actively seized new digital consumption demands of a wide range of users, the Company accelerated the upgrade of integrating elements such as connectivity, terminals, applications and privileges, and continuously enhanced the supply capacity of products and services for individuals and households. In the first three quarters of 2025, the Company's fundamental businesses achieved stable development. The number of 5G network subscribers reached 0.29 billion, while the penetration rate increased to 66.9%. Handset data traffic increased by 16.9% year-on-year, and handset DOU reached 22.3GB, representing an increase of 11.4% year-on-year. The penetration rate of Gigabit broadband subscribers amounted to approximately 31.0%.

With the No. 1 technology "Xirang" as the core, the Company completed the construction of intelligent cloud system, and leveraged cloud-network integration to provide integrated intelligent cloud services encompassing "computing power + platform + data + model + application", accelerating the promotion of business intelligence integration and upgrades. The Company continued to deepen external empowerment and internal applications and accelerated the cultivation of new growth poles, effectively driving improvements in the quality and efficiency of its corporate operations and focusing on developing new momentum and new strengths for high-quality development. In the first three quarters of 2025, the Company continuously promoted the scale expansion of strategic emerging businesses. Revenue from IDC reached RMB27.5 billion, representing an increase of 9.1% year-on-year. Revenue from the security business reached RMB12.6 billion, representing an increase of 12.4% year-on-year. Intelligent revenues increased by 62.3% year-on-year, Internet of Video Things (IoVT) revenues increased by 34.2% year-on-year, satellite communications revenues increased by 23.5% year-on-year, and quantum revenues increased by 134.6% year-on-year.

In the first three quarters of 2025, operating expenses were RMB359.3 billion, representing an increase of 0.3% year-on-year, of which depreciation and amortisation were RMB77.9 billion, representing an increase of 4.4% year-on-year. It was mainly attributable to the increase in the fixed assets compared to the same period of last year, as the Company accelerated the construction of new digital information infrastructure. Network operations and support expenses were RMB114.9 billion, representing a decrease of 3.0% year-on-year, mainly because the Company strengthened precise cost control and continuously increased resource utilisation efficiency through leveraging AI empowerment, while taking into account its business development. Personnel expenses were RMB75.2 billion, representing a decrease of 0.3% year-on-year.

Going forward, the Company will comprehensively implement the Cloudification, Digital Transformation and AI for Good Strategy, and strengthen the innovation-driven integrated development of the dual engines of fundamental businesses and Industrial Digitalisation business. It will deeply promote the "AI+" initiative and accelerate the intelligent evolution and upgrade of digital information infrastructure, allowing the dividends of intelligence to better benefit thousands of industries and households. The Company will continuously enhance its core functions and core competitiveness to speed up the building of a world-class enterprise, while proactively bringing returns to shareholders.

QUARTERLY FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

at 30 September 2025

(Amounts in million)

	30 September 2025 *RMB*	31 December 2024 *RMB*
ASSETS		
Non-current assets		
Property, plant and equipment, net	**400,014**	427,079
Construction in progress	**66,052**	58,801
Right-of-use assets	**60,015**	69,068
Goodwill	**30,916**	29,925
Intangible assets	**24,815**	25,513
Interests in associates and joint ventures	**44,610**	44,177
Financial assets at fair value through profit or loss	**340**	363
Equity instruments at fair value through other comprehensive income	**1,621**	1,015
Deferred tax assets	**884**	673
Other assets	**21,874**	21,886
Total non-current assets	**651,141**	678,500
Current assets		
Inventories	**4,046**	3,267
Income tax recoverable	**41**	111
Accounts receivable, net	**70,368**	42,867
Contract assets	**5,129**	4,731
Prepayments and other current assets	**37,190**	35,140
Financial assets at fair value through profit or loss	**28,995**	–
Short-term bank deposits and restricted cash	**34,545**	19,802
Cash and cash equivalents	**44,594**	82,207
Total current assets	**224,908**	188,125
Total assets	**876,049**	866,625

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

at 30 September 2025

(Amounts in million)

	30 September 2025 *RMB*	31 December 2024 *RMB*
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debts	**2,289**	2,835
Current portion of long-term debts	**1,556**	1,238
Accounts payable	**152,011**	160,550
Accrued expenses and other payables	**96,990**	78,790
Contract liabilities	**60,371**	65,185
Income tax payable	**4,349**	2,410
Current portion of lease liabilities	**13,954**	14,369
Total current liabilities	**331,520**	325,377
Net current liabilities	**(106,612)**	(137,252)
Total assets less current liabilities	**544,529**	541,248
Non-current liabilities		
Long-term debts	**7,551**	7,459
Lease liabilities	**27,412**	34,842
Deferred tax liabilities	**35,985**	34,107
Other non-current liabilities	**8,347**	8,288
Total non-current liabilities	**79,295**	84,696
Total liabilities	**410,815**	410,073
Equity		
Share capital	**91,507**	91,507
Reserves	**366,616**	360,883
Total equity attributable to equity holders of the Company	**458,123**	452,390
Non-controlling interests	**7,111**	4,162
Total equity	**465,234**	456,552
Total liabilities and equity	**876,049**	866,625

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the nine-month period ended 30 September 2025

(Amounts in million)

	Nine-month period ended 30 September	
	2025	2024
	RMB	*RMB*
Operating revenues	**396,998**	394,718
Operating expenses		
Depreciation and amortisation	**(77,893)**	(74,639)
Network operations and support	**(114,890)**	(118,457)
Selling, general and administrative	**(49,272)**	(48,560)
Personnel expenses	**(75,218)**	(75,438)
Other operating expenses	**(41,986)**	(41,240)
Total operating expenses	**(359,259)**	(358,334)
Operating profit	**37,739**	36,384
Net finance costs	**(454)**	(518)
Investment income and others	**206**	87
Share of profits of associates and joint ventures	**1,959**	1,759
Profit before taxation	**39,450**	37,712
Income tax	**(8,679)**	(8,372)
Profit for the period	**30,771**	29,340
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	**96**	(392)
Deferred tax on change in fair value of investments in equity instruments at fair value through other comprehensive income	**(22)**	101
	74	(291)

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

for the nine-month period ended 30 September 2025

(Amounts in million except for per share data)

	Nine-month period ended 30 September	
	2025	2024
	RMB	*RMB*
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of financial statements of subsidiaries outside mainland China	**(3)**	(78)
	(3)	(78)
Other comprehensive income for the period, net of tax	**71**	(369)
Total comprehensive income for the period	**30,842**	28,971
Profit attributable to		
Equity holders of the Company	**30,773**	29,299
Non-controlling interests	**(2)**	41
Profit for the period	**30,771**	29,340
Total comprehensive income attributable to		
Equity holders of the Company	**30,844**	28,930
Non-controlling interests	**(2)**	41
Total comprehensive income for the period	**30,842**	28,971
Basic earnings per share (RMB)	**0.34**	0.32
Diluted earnings per share (RMB)	**0.34**	0.32
Number of shares (in million)	**91,507**	91,507

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the nine-month period ended 30 September 2025

(Amounts in million)

	Note	Nine-month period ended 30 September 2025 RMB	2024 RMB
Net cash from operating activities	*(a)*	**87,421**	97,316
Cash flows used in investing activities			
Capital expenditure		**(44,810)**	(58,238)
Purchase of investments		**(75,558)**	(124)
Payments for right-of-use assets		**(26)**	(51)
Proceeds from disposal of property, plant and equipment		**1,261**	994
Proceeds from disposal of right-of-use assets		**414**	72
Proceeds from disposal of investments		**46,818**	22
Payments for equity instruments at fair value through other comprehensive income		**(500)**	(30)
Placement of bank deposits		**(41,766)**	(34,116)
Maturity of bank deposits		**27,769**	14,529
Short-term loans granted to China Telecom Group by Finance Company		**(2,071)**	(2,051)
China Telecom Group's repayments of short-term loans granted by Finance Company		**2,045**	10,080
Net cash inflow from acquisition of subsidiaries		**1,466**	–
Net cash used in investing activities		**(84,958)**	(68,913)
Cash flows used in financing activities			
Repayments of principal of lease liabilities		**(12,120)**	(10,725)
Proceeds from bank and other loans		**6,064**	5,675
Repayments of bank and other loans		**(7,649)**	(6,224)
Contribution from non-controlling interests		**99**	29
Payments of dividends		**(25,064)**	(21,300)
Distribution to non-controlling interests		**–**	(8)
Net deposits by China Telecom Group to Finance Company		**(1,422)**	(3,143)
Decrease/(increase) in statutory deposit reserves placed by Finance Company		**40**	(384)
Others		**19**	–
Net cash used in financing activities		**(40,033)**	(36,080)
Net decrease in cash and cash equivalents		**(37,570)**	(7,677)
Cash and cash equivalents as at 1 January		**82,207**	81,046
Effect of changes in foreign exchange rate		**(43)**	(31)
Cash and cash equivalents as at 30 September		**44,594**	73,338

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

for the nine-month period ended 30 September 2025

(Amounts in million)

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

	Nine-month period ended 30 September	
	2025	2024
	RMB	*RMB*
Profit before taxation	**39,450**	37,712
Adjustment for:		
Depreciation and amortisation	**77,893**	74,639
Impairment losses for financial assets and contract assets, net of reversal	**7,593**	5,444
Write-down of inventories, net of reversal	**10**	(18)
Investment income and others	**(211)**	(123)
Share of profits of associates and joint ventures	**(1,959)**	(1,759)
Interest income	**(1,348)**	(1,482)
Net interest expense	**1,563**	1,794
Net foreign exchange gain or loss and others	**239**	206
Net loss on retirement and disposal of long-lived assets and others	**758**	1,233
	123,988	117,646
Increase in accounts receivable	**(34,758)**	(33,302)
Increase in contract assets	**(486)**	(1,697)
Increase in inventories	**(511)**	(834)
Increase in prepayments and other current assets	**(1,603)**	(3,816)
Decrease in restricted cash	**36**	121
(Increase)/decrease in other assets	**(1,258)**	989
(Decrease)/increase in accounts payable	**(5,930)**	10,755
Increase in accrued expenses and other payables	**17,056**	16,624
Decrease in contract liabilities	**(4,875)**	(7,395)
Cash generated from operations	**91,659**	99,091
Interest received	**747**	1,270
Interest paid	**(1,456)**	(1,688)
Investment income received	**1,566**	1,593
Income tax paid	**(5,095)**	(2,950)
Net cash from operating activities	**87,421**	97,316

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, 21 October 2025

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. Yeung Chi Wai, Jason, Mr. Chen Dongqi and Madam Lyu Wei (all as the Independent Non-Executive Directors).