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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

HIGHLIGHTS

- Operating revenues of the Company 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 rate
- 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
- 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
- Mobile communications service revenues amounted to RMB105.2 billion, representing an increase of 3.6% year-on-year. Of which, revenue from mobile value-added and applications amounted to RMB18.1 billion, representing an increase of 17.1% year-on-year
- Wireline and Smart Family service revenues amounted to RMB64.0 billion, representing an increase of 3.2% year-on-year. Of which, revenue from Smart Family business amounted to RMB10.7 billion, representing an increase of 14.4% year-on-year
- Revenue from Industrial Digitalisation reached RMB73.7 billion, representing an increase of 7.2% year-on-year. Revenue from China Telecom Cloud reached RMB55.2 billion, representing a year-on-year growth of 20.4%
- 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

CHAIRMAN’S STATEMENT

Currently, the development of the new round of sci-tech revolution and industrial transformation is deepening, while the abundant use cases are constantly fulfilling people’s aspirations for a better digital life, presenting valuable opportunities for the industry and the Company to further promote high-quality development. 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”¹ 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.

1. 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 revenues² amounted to RMB246.2 billion, representing an increase of 4.3% year-on-year, remaining above the industry’s growth rate³. EBITDA⁴ amounted to RMB76.8 billion, representing an increase of 4.7% year-on-year. Net profit⁵ 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 flow⁶ reached RMB15.5 billion.

¹ Enterprise with “three orientations”: service-oriented, technology-oriented and secured enterprise.

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

³ According to the performance of the communications industry economy in the first half of 2024 released by MIIT.

⁴ EBITDA is calculated based on operating revenues minus operating expenses plus depreciation and amortisation.

⁵ Net profit represents profit attributable to equity holders of the Company.

⁶ 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.

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 ARPU⁷ 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, 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 ARPU⁸ 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.

⁷ Mobile ARPU = monthly average revenues from mobile services/the average number of mobile subscribers.

⁸ Broadband blended ARPU = monthly average revenues from broadband access and Smart Family/the average number of broadband subscribers.

2. Achieving new results in high-quality development by firmly promoting the building of an enterprise with “three orientations”

2.1 *Insisting on driving forces from dual engines of fundamental and Industrial Digitalisation businesses, while steadily promoting the building of a service-oriented enterprise*

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 CHBG⁹ 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. For individual customers, the Company further promoted the innovation of 5G applications and personal terminals. In terms of applications, the Company accelerated the AI upgrade of applications such as Communications Assistant, Colour Ringback Tone with Video and China Telecom Cloud Drive. The Company also stepped up the scale expansion of differentiated businesses such as Quantum-encrypted Calls and Messages and Mobile Phones with Direct Satellites Connection, and rolled out the world’s first Cars with Direct Satellites Connection service. In terms of handsets, the Company launched the first AI phone that is customised by an operator and embedded with proprietary large models to fulfil individual customers’ demands for intelligent and convenient communications services. For household customers, the Company further advanced FTTR¹⁰ upgrades and the expansion of Gigabit broadband applications. The Company continuously promoted the AI upgrades of devices such as cloud computer and home monitor in cloud and further strengthened the AI upgrades as well as integration and mutual promotion of platforms such as Smart Family, Smart Community, Digital Village and Internet of Video Things (IoVT). The Company further enriched family applications and continued to enhance service capabilities. The Company created the living and service circles for communities/villages, to fulfil household customers’ scene-based demands for “safe home, low-carbon home and intelligent home”. For government and enterprise customers, the Company fulfilled the demands for digitalisation from thousands of industries leveraging “network + cloud + AI + applications” and promoted in-depth integration between digital economy and real economy. The Company pushed forward the upgrade of the 5G NICES¹¹ Pro+ integrated product portfolio. Through 5G definitive network and proprietary industrial PON¹², network construction and operating costs were significantly reduced for customers from the new industrialisation sector. e-Surfing Internet of Things

⁹ CHBG: Customer, Home, Business, Government.

¹⁰ FTTR: Fiber to The Room.

¹¹ NICES refers to the 5-in-1 integrated solution which covers Network capabilities, Intelligence capabilities, Cloud computing capabilities, Elements capabilities and Service capabilities.

¹² PON: Passive Optical Network.

(IoT) platform supports secure and reliable access of ultra-large scale terminals at the hundred-million level, as well as online sensing and control of IoT network connectivity at the billion level, with the number of terminal users exceeding 600 million. The Company catalysed the launch of AI applications. Xingchen large model for government administration hotline significantly enhanced operating efficiency and citizens perception of the hotline for people’s livelihood. “Xingchen Smart Answers” realised the upgrade to intelligent interaction through SMS, which allowed large model services to reach thousands of families more conveniently. Benchmark use cases of IoVT such as Kitchen Monitoring and City Brain empowered the development of smart city, with accelerating scene-based replication and promotion. The Company intensified its efforts in research and development (R&D) iteration and capability innovation of core digital platforms, continued to upgrade the capabilities of more than 110 digital platforms such as municipal grassroots governance platform and all-domain tourism platforms, and further empowered customers’ digital transformation and upgrades in more than 10 key industries such as government administration, industry, education, healthcare and finance.

Adapting to new demands of information services in the digital era, the Company accelerated the enhancement of intelligent service capabilities. The Company launched multimodal intelligent services including text, video and speech, with the average number of services exceeding 75 million times per month, representing a year-on-year increase of 13.4%. The Company also promoted brand-new upgrades of the “Good Service as You Wish” service initiatives, with edges of user satisfaction and service reputation becoming further strengthened and enhanced.

2.2 Further leveraging the leading role of sci-tech innovation, with the building of a technology-oriented enterprise entering a new stage

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 RDO¹³, 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 further increased the input of sci-tech innovation and R&D, with R&D expenses increasing by 12.5%¹⁴ year-on-year. Focusing on strategic emerging industries, the Company accelerated the building of core scientific research

¹³ RDO: fundamental research (R), applied technological research and development (D) and operational development (O).

¹⁴ The growth rate of R&D expenses is calculated based on figures of R&D expenses in Chinese Accounting Standards.

teams comprising of top talents, with the number of R&D personnel increasing by 15.3% over the end of last year. The flying geese paradigm of technological experts and talents, comprising of scientists, chief experts, senior experts, and experts, has basically taken shape, with its scale exceeding 10,000 persons. The Company attained breakthroughs in core technologies and released 6G intelligent and simple network architecture and 6G sci-tech innovation experimental apparatus. “Xirang” platform achieved breakthroughs in core technologies of managing and scheduling ten-thousand GPUs in public cloud, and completed the industry’s first verification of over 100-kilometre distributed lossless intelligent computing interconnection on existing network. In addition, the Company launched the industry’s first large speech model that supports code switching of 40 dialects, and developed the first quantum security encryption system integrating QKD¹⁵ in China. The Company also upgraded the leading “Tianyan” quantum computing cloud platform. The Company further elevated the level of sci-tech innovation and was approved to be the source of original technologies for a number of cutting-edge technologies. The Company took the lead in creating innovation platforms such as cloud computing, quantum communications and next generation optical network innovation consortium. Two projects were awarded the first prize of the National Science and Technology Progress Award 2023¹⁶ and were included in the list of outstanding enterprises of sci-tech innovation among state-owned central enterprises in 2023. Furthermore, the Company vigorously promoted the conversion of sci-tech achievements, with achievements on its proprietary list increasing by 40.4% year-on-year. The proportion of proprietary IT systems and business platforms reached 50.4%, up by 9.5p.p. year-on-year. The Company leveraged sci-tech innovation to promote industrial innovation, and fully completed deployment in seven strategic emerging businesses including cloud computing and computing power, new generation information communications, Big Data, AI, security, quantum and digital platform. The Company further strengthened external empowerment and internal applications, accelerated the cultivation of new growth areas, effectively supported the enhancement of corporate operating efficiency, and continued to create new momentum and edges for high-quality development.

¹⁵ QKD: Quantum Key Distribution, which refers to the remote key distribution leveraging the physical properties of quantum such as indivisibility, non-replication, and uncertainty.

¹⁶ The “Key Technology and Large-scale Application of the Next Generation Internet Source Address Verification Architecture SAVA” and “Key Technology and Engineering Application of the Fifth Generation Mobile Communications System (5G)” of China Telecom received the first prize of the National Science and Technology Progress Award 2023.

2.3 Further enhancing capabilities of security products and services supply, with the building of a secured enterprise making solid progress

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. Through organic integration of its edges in cloud-network resources with security technologies, the Company continued to explore and innovate security products and services to offer sustainable, iterative, and easy-to-maintain network security capabilities. The Company supported the network and data security assurance under scenes such as technological application and evolution, network iteration and upgrade as well as massive data aggregation. The Company also further consolidated its key capabilities in data storage and data masking. The Company empowered new security capabilities leveraging quantum technologies. The Company carried out innovative integration of quantum technologies with businesses such as calls, cloud-network and platforms to create a “quantum+” product portfolio, thus establishing its differentiated security products and service edges. e-Surfing Security Brain 4.0 product was deeply integrated with proprietary security vertical large model “Xingchen – Jianwei” to effectively enhance security operating efficiency and customer experience. As the only domestic “carrier-grade” protection platform with coordinated handling capabilities of multiple protection measures, Anti-DDoS Cloud Dam was included in Gartner’s list of global top service providers selection. The number of cleaning nodes reached 64, covering more than 15,000 customers. The cleaning capacity for whole-network traffic increased by 2.4Tbps in the first half of the year, bringing the total to 13.68Tbps.

3. Fully deepening reforms and opening up to further bolster innovative development vitality of the Company

The Company deeply implemented the deepening and enhancing action of state-owned enterprise (SOE) reforms. Insisting on sci-tech innovation as the core, while focusing on the government and enterprise field, the Company continued to deepen systematic transformation and optimise the system and mechanism conducive to the development as an enterprise with “three orientations”. For three consecutive years, the Company has been rated as Grade A in the assessment by the State-owned Assets Supervision and Administration Commission of the State Council on key reform tasks performance by state-owned central enterprises. The Company established dedicated research institutions for cloud computing, AI, quantum and others, and also recruited corporate strategic level scientists to strive for breakthroughs in cutting-edge technologies and promote in-

depth collaboration among industry, academia and research institutes. The Company further deepened the corporate reform of verticals, optimised market-oriented operation mechanism and created high-quality digital platforms and products. The Company pushed forward the establishment of the satellite subsidiary to consolidate and expand its first-mover advantage in the field of satellite communications and accelerate the high-quality development of satellite communications business. The Company fully promoted the optimisation of main process with cloud core platform as the hub, refined the market-oriented talent allocation mechanism and strengthened the building of talent teams of solutions, secondary development as well as delivery and operation for provincial and city level branches. The Company also strengthened the highly efficient collaboration between provincial branches and professional companies, optimised vertically integrated support process and support mechanism for major projects, accelerated the coverage of branches at the district and county level and promoted the scale development of strategic emerging businesses. The Company deepened the reforms of systems for customer service, channel and cloud-network operation, among others, and strengthened the application of digital and intelligent technologies to support the continued optimisation of product operation system, talent structure as well as process and mechanism. Focusing on the characteristics associated with the development of strategic emerging businesses, the Company further optimised the resource allocation as well as assessment and incentive mechanisms and innovated the allocation approach of productive elements. The Company developed a sound competitive compensation and incentive system to further strengthen employees' enthusiasm. The Company also accelerated the optimisation of categorised evaluation system and assessment mechanism for scientific research to fully stimulate the innovation potential of sci-tech talents.

The Company optimised its system and mechanism of open cooperation and coordinated the promotion of high-standard opening up to create a mutually beneficial and win-win ecological landscape. The Company continued to strengthen the open cooperation of high-end talents and enhanced joint nurturing with top universities and national laboratories, to form innovation synergy for strategic emerging industries. The Company continued to expand ecological cooperation along the upstream and downstream of the industrial chain and created an ecological system covering fields such as intelligent computing cloud, Xingchen large models, data elements and terminal. The Company initiated the establishment of the Industrial Alliance of Low-altitude Economy and released the "Low-altitude Pilot" action plan to foster the industrial development of the low-altitude economy. The Company further promoted the high-quality development of international operations, optimised the layout of overseas industrial collaboration and built an overseas business ecosphere. The Company strengthened cooperation with international operators. Mobile Phones with Direct Satellites Connection service was

successfully launched in Hong Kong. New full-service international communication accesses were established in Kunming and Haikou to continuously strengthen the cooperation with countries and regions along the “the Belt and Road”. The Company further promoted the building of the international cooperation and innovation platforms and gave full play to the role of the World Broadband Association (WBBA) as an international exchange platform as well as a hub for industrial innovation, with its number of members exceeding 80.

4. Deeply implementing ‘AI+’ to accelerate the creation of important drivers for the development of new quality productive forces

Grasping the development direction of AI, the Company deeply implemented “AI+” and completed the overall AI deployment of “1+1+1+M+N”¹⁷ 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 EFLOPS¹⁸ 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. Of which, Xingchen large speech model was the first large speech model that is independently recorded in China. The Company also released China’s first AI development tool “Xingchen • Software factory” that can generate code with one click and autonomously test and correct errors. The Company proactively promoted the advancement of large model technologies through open source, and took the lead among state-owned central enterprises to achieve open source for large language models at various grades with billions, tens of billions, and trillions

¹⁷ 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.

¹⁸ FLOPS: Floating-Point Operations Per Second, which is commonly used to estimate computer performance.

of parameters. 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 standardised AI products such as AI phones, AI cloud computers, AI large model integrated devices to meet the diverse intelligent demands of customers. The Company also launched 10 internal large models for customer service, network operations, office administration and other corporate operation segments. The proportion of intelligent voice service by avatar customer service representatives has steadily increased, while the AI-empowered smart energy-saving effects for base stations and facility rooms have continuously become prominent. 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.

5. Accelerating the intelligent and green upgrades of digital information infrastructure to consolidate the foundation for high-quality development of the Company

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 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 AIDC¹⁹ 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

¹⁹ AIDC: Artificial Intelligence Datacentre.

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. The Company's cloud-network operation capabilities continued to be strengthened and both the amount of network-wide fault work orders and the processing time have been reduced. The Company also promoted the automation of cloud-network operation, fully accelerated the creation and application of large model for network, and steadily enhanced the automatic processing rate in cloud-network operation and maintenance.

The Company further deepened co-building and co-sharing with China Unicom to build a high-quality network with high-/mid-/low-band coordination as well as 5G/4G integration. The newly added co-built and co-shared 5G mid-/high-band base stations exceeded 100,000, with the total number of 5G base stations exceeding 1.31 million. The Company steadily pushed forward with one single 4G network, with the number of 4G mid-band base stations exceeding 2 million. The Company coordinated the promotion of co-sharing 800MHz/900MHz low-band as well as 700MHz inter-network roaming, with the number of low-band base stations reaching 790,000. The 5G network achieved contiguous coverage in areas of townships and above across the country, while the in-depth coverage rate of key areas and key scenes increased by 7.4%. The 5G accessibility rate of administrative villages across the country increased by 25%. Coverage and perceived speed of mobile network steadily increased. The Company continued to strengthen the strategic deployment of 5G-A, promoted the upgrade of 5G-A capabilities on all fronts and jointly completed the large-scale deployment of Redcap and carrier aggregation in more than 100 cities.

The Company proactively implemented the green development principles. Under the guidance of the “1248”²⁰ green development model, the Company took different measures at the same time to further strengthen the green upgrade of cloud-network infrastructure. In the first half of 2024, the greenhouse gas emissions per unit of total volume of telecommunications services maintained a double-digit decline year-on-year. The Company established green datacentres in an all-round way and accelerated the green transformation of traditional communications buildings. 12 datacentres of the Company were newly rated as the national green datacentres, which was the largest number in the industry. The Company further promoted AI intelligent energy-saving and green transformation for facility rooms and base stations, with an AI energy-saving coverage rate of 96% among all 5G/4G base stations and a cumulative coverage of 1,800 facility rooms and 4.95 million sectors. The Company completed green transformation for 14,000 base stations and 280 facility buildings. The annualised energy-saving in total exceeded 1 billion kWh. The Company increased the use of green electricity, with the volume of green electricity with “integration of trading of permit and electricity” increasing by 960 million kWh in the first half of the year, representing an increase of over 200% year-on-year. By strengthening the promotion of green products and services, while focusing on areas such as clean production, pollution control and environmental protection, the Company built a series of green solutions such as ecological environment Big Data platform, air pollution prevention and control command and scheduling system, as well as green lighting to empower the green and low-carbon transformation of the economy and society.

6. Proactively fulfilling social responsibilities while further elevating the level of corporate governance

The Company successfully completed communications assurance tasks for multiple key events including the launch of the Shenzhou-18 manned spaceship. The Company utilised satellite communications and drones to effectively assist flood fighting and disaster relief efforts during times of natural disasters such as heavy rains and floods. The Company empowered rural revitalisation with AI technologies, promoted the deep integration of agriculture and rural areas and developed the Digital Village information

²⁰ “1248”: “1” represents one strategic focus, i.e., green and low-carbon development as an important element of the “Cloudification and Digital Transformation” strategy; “2” represents two priorities, i.e., accelerating transformation towards green development on internal fronts and developing a green production and lifestyle on external fronts; “4” represents four basic strategies, i.e., high-quality development, coordinated development, sustainable development, and innovative development; and “8” represents eight major green initiatives, i.e., constructing new green cloud-network, creating new green operation, building new green ecology, strengthening new green empowerment, promoting new green technologies, consolidating new green support, developing new green energy, and creating new green value.

solution to bridge the digital divide between urban and rural areas. In addition, the Company remained committed to social welfare and proactively helped the disabled and underprivileged. Its more than 90,000 “Caring Stations” have provided 8.42 million person-times of services. The Company protected the rights and interests of its employees in accordance with the law, created a comprehensive system for employee care, and continued to enhance its institutional guarantees. The Company also created professional development paths for employees, striving to achieve the mutual growth of employees and the Company.

Insisting on high-standard corporate governance, the Company fulfilled its obligations of information disclosure in compliance with laws and regulations and increased the level of corporate transparency to effectively safeguard investors’ rights to know. The Company continued to improve its corporate compliance management system, maintained compliance and efficient operation of its Shareholders Meeting, Board of Directors and Supervisory Committee and continued to optimise internal control process. The Company maintained steady and compliance operations and effectively safeguarded the best and long-term interests of its shareholders. The Company received high affirmation from domestic and international capital markets for its outstanding corporate governance. It was voted as the “Most Honoured Companies in Asia” for the 14th consecutive year in the “All-Asia-Executive Team Poll 2024” organised by *Institutional Investor* and was also voted as “No.1 Best Telecommunications Company in Asia”. The Company also received top three rankings in Asian telecommunications sector in multiple award polls such as the “Best Board of Directors”, the “Best Overall ESG”, the “Best Investor Relations”, and the “Best IR Team”. It was accredited “Golden Bull Most Investment Value Award” and “Golden Bull Award for Hong Kong Stocks” in the Golden Bull Award poll organised by *China Securities Journal*. Moreover, the Company was awarded the “Best Practise of the Board of Directors for Listed Companies in 2023” by the China Association for Public Companies.

7. Outlook

Over the past three years since the Company’s A Shares listing, cloud computing, AI, Big Data, quantum information and other disruptive and cutting-edge technologies have been giving rise to new business models, new industries and new patterns. In the face of the changes and opportunities, the Company upheld its fundamental principles and broke new ground, carried out expansion and upgrades, and fully and deeply implemented its Cloudification and Digital Transformation strategy. The Company vigorously promoted in-depth reform and high-level opening up and expedited its transformation into a service-oriented, technology-oriented, and secured enterprise. The Company continued to strengthen high-quality development, achieved favourable growth in service revenues, further enhanced its profitability and significantly increased shareholders’ returns. The Company has successfully fulfilled commitments made to the capital market during A Shares listing and joined hands with shareholders to draw the development blueprint and share the results of development.

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.

Finally, on behalf of the Board of Directors, I would like to take this opportunity to express our sincere appreciation to all shareholders and customers for their continued care and support, and our sincere thanks to all our employees for their hard work and contributions. Furthermore, I would also like to extend our heartfelt gratitude towards Mr. Shao Guanglu for his outstanding contributions to the Company's transformation and upgrades as well as continued development made during his tenure.

Ke Ruiwen

Chairman and Chief Executive Officer

Beijing, China

20 August 2024

GROUP RESULT

China Telecom Corporation Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six-month period ended 30 June 2024 prepared in accordance with IFRS Accounting Standards extracted from the unaudited condensed consolidated interim financial information of the Group as set out in its 2024 Interim Report prepared in accordance with IFRS Accounting Standards.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the six-month period ended 30 June 2024

(Amounts in million except for per share data)

| | | Six-month period ended 30 June | |
|------------------------------------------------------|--------------|-----------------------------------|------------|
| | | 2024 | 2023 |
| | <i>Notes</i> | <i>RMB</i> | <i>RMB</i> |
| Operating revenues | 4 | 268,011 | 260,664 |
| Operating expenses | | | |
| Depreciation and amortisation | | (49,532) | (47,838) |
| Network operations and support | | (80,131) | (76,052) |
| Selling, general and administrative | | (33,090) | (32,839) |
| Personnel expenses | | (50,566) | (48,998) |
| Other operating expenses | | (27,432) | (29,429) |
| Total operating expenses | | (240,751) | (235,156) |
| Operating profit | | 27,260 | 25,508 |
| Net finance costs | 5 | (250) | (483) |
| Investment income and others | | 84 | 159 |
| Share of profits of associates and joint ventures | | 1,145 | 996 |
| Profit before taxation | | 28,239 | 26,180 |
| Income tax | 6 | (6,273) | (6,006) |
| Profit for the period | | 21,966 | 20,174 |

| | Six-month period ended 30 June | |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------|
| | 2024 | 2023 |
| | RMB | RMB |
| Other comprehensive income for the period | | |
| <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 | (519) | 89 |
| Deferred tax on change in fair value of investments in equity instruments at fair value through other comprehensive income | <u>131</u> | <u>(24)</u> |
| | <u>(388)</u> | <u>65</u> |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | |
| Exchange difference on translation of financial statements of subsidiaries outside mainland China | 42 | 201 |
| Share of other comprehensive income of associates and joint ventures | <u>–</u> | <u>2</u> |
| | <u>42</u> | <u>203</u> |
| Other comprehensive income for the period, net of tax | <u>(346)</u> | <u>268</u> |
| Total comprehensive income for the period | <u><u>21,620</u></u> | <u><u>20,442</u></u> |

| | | Six-month period | |
|---------------------------------------------------|--------------|-------------------------|-------------|
| | | ended 30 June | |
| | | 2024 | 2023 |
| | <i>Notes</i> | RMB | RMB |
| Profit attributable to | | | |
| Equity holders of the Company | | 21,812 | 20,153 |
| Non-controlling interests | | 154 | 21 |
| | | <hr/> | <hr/> |
| Profit for the period | | 21,966 | 20,174 |
| | | <hr/> | <hr/> |
| Total comprehensive income attributable to | | | |
| Equity holders of the Company | | 21,466 | 20,421 |
| Non-controlling interests | | 154 | 21 |
| | | <hr/> | <hr/> |
| Total comprehensive income for the period | | 21,620 | 20,442 |
| | | <hr/> | <hr/> |
| Basic earnings per share (RMB) | 7 | 0.24 | 0.22 |
| | | <hr/> | <hr/> |
| Diluted earnings per share (RMB) | 7 | 0.24 | 0.22 |
| | | <hr/> | <hr/> |
| Number of shares (in million) | | 91,507 | 91,507 |
| | | <hr/> | <hr/> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

at 30 June 2024

(Amounts in million)

| | <i>Note</i> | 30 June 2024 | 31 December 2023 |
|------------------------------------------------------------------------|-------------|-------------------------|---------------------|
| | | RMB | RMB |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment, net | | 400,504 | 409,943 |
| Construction in progress | | 86,986 | 72,238 |
| Right-of-use assets | | 72,185 | 76,908 |
| Goodwill | | 29,925 | 29,923 |
| Intangible assets | | 21,508 | 22,702 |
| Interests in associates and joint ventures | | 43,176 | 43,158 |
| Financial assets at fair value through profit or loss | | 383 | 397 |
| Equity instruments at fair value through other comprehensive income | | 938 | 1,426 |
| Deferred tax assets | | 664 | 1,347 |
| Other assets | | 14,802 | 9,909 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 671,071 | 667,951 |
| Current assets | | | |
| Inventories | | 4,664 | 3,417 |
| Income tax recoverable | | 106 | 140 |
| Accounts receivable, net | 9 | 55,734 | 32,210 |
| Contract assets | | 6,017 | 4,665 |
| Prepayments and other current assets | | 32,645 | 35,580 |
| Short-term bank deposits and restricted cash | | 25,682 | 10,805 |
| Cash and cash equivalents | | 75,072 | 81,046 |
| | | <hr/> | <hr/> |
| Total current assets | | 199,920 | 167,863 |
| | | <hr/> | <hr/> |
| Total assets | | 870,991 | 835,814 |
| | | <hr/> <hr/> | <hr/> <hr/> |

| | | 30 June | 31 December |
|-------------------------------------------------------------------|-------------|------------------|------------------|
| | | 2024 | 2023 |
| | <i>Note</i> | RMB | RMB |
| LIABILITIES AND EQUITY | | | |
| Current liabilities | | | |
| Short-term debts | | 2,645 | 2,867 |
| Current portion of long-term debts | | 1,051 | 1,133 |
| Accounts payable | 10 | 162,739 | 145,872 |
| Accrued expenses and other payables | | 86,914 | 74,260 |
| Contract liabilities | | 56,763 | 65,417 |
| Income tax payable | | 4,230 | 488 |
| Current portion of lease liabilities | | 13,632 | 13,399 |
| | | <u>327,974</u> | <u>303,436</u> |
| Total current liabilities | | 327,974 | 303,436 |
| | | <u>(128,054)</u> | <u>(135,573)</u> |
| Net current liabilities | | (128,054) | (135,573) |
| | | <u>543,017</u> | <u>532,378</u> |
| Total assets less current liabilities | | 543,017 | 532,378 |
| Non-current liabilities | | | |
| Long-term debts | | 5,824 | 5,142 |
| Lease liabilities | | 38,250 | 42,650 |
| Deferred tax liabilities | | 30,620 | 31,025 |
| Other non-current liabilities | | 7,649 | 6,394 |
| | | <u>82,343</u> | <u>85,211</u> |
| Total non-current liabilities | | 82,343 | 85,211 |
| | | <u>410,317</u> | <u>388,647</u> |
| Total liabilities | | 410,317 | 388,647 |
| Equity | | | |
| Share capital | | 91,507 | 91,507 |
| Reserves | | 364,772 | 351,419 |
| | | <u>456,279</u> | <u>442,926</u> |
| Total equity attributable to equity holders of the Company | | 456,279 | 442,926 |
| Non-controlling interests | | 4,395 | 4,241 |
| | | <u>460,674</u> | <u>447,167</u> |
| Total equity | | 460,674 | 447,167 |
| | | <u>870,991</u> | <u>835,814</u> |
| Total liabilities and equity | | 870,991 | 835,814 |

Notes:

1. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 (“IAS 34”), “*Interim Financial Reporting*” issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The condensed consolidated interim financial information, which was authorised for issuance by the Board of Directors on 20 August 2024, reflects the unaudited financial position of the Group as at 30 June 2024 and the unaudited results of operations and cash flows of the Group for the six-month period then ended, which are not necessarily indicative of the results of operations and cash flows expected for the year ending 31 December 2024.

As at 30 June 2024, the total current liabilities of the Group had exceeded the total current assets by RMB128,054 million (31 December 2023: RMB135,573 million). Management of the Company has assessed the Group’s available sources of funds as follows: 1) the Group’s continuous net cash inflow to be generated from its operating activities; 2) the unutilised credit facilities amounting to RMB201,771 million (31 December 2023: RMB205,452 million); and 3) the Group’s other available sources of financing from domestic banks in mainland China and other financial institutions in view of the Group’s good credit history. Based on the above considerations, the Board of Directors is of the opinion that the Group has sufficient funds to meet its working capital commitments, expected capital expenditure and debt obligations. As a result, the condensed consolidated interim financial information of the Group for the six-month period ended 30 June 2024 has been prepared on a going concern basis.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for the current period:

- Amendments to IAS 1 “*Presentation of Financial Statement*” – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 “*Presentation of Financial Statement*” – Non-current Liabilities with Covenants
- Amendments to IFRS 16 “*Leases*” – Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 “*Statement of Cash Flows*” and IFRS 7 “*Financial Instruments: Disclosures*” – Supplier finance arrangements

The application of the above amendments to IFRS Accounting Standards in the current period has had no material effect on the Group’s condensed consolidated interim financial information.

3. SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities from which revenues are earned and expenses are incurred, and is identified on the basis of the internal financial reports that are regularly reviewed by the chief operating decision maker (“CODM”) in order to allocate resources and assess performance of the segment. The Executive Directors of the Company have been identified as the CODM. For the periods presented, management has determined that the Group has one operating segment as the Group is only engaged in the integrated telecommunications business. The Group’s assets located outside mainland China and operating revenues derived from activities outside mainland China are less than 10% of the Group’s assets and operating revenues, respectively. No geographical area information has been presented as such amount is immaterial. No single external customer accounts for 10% or more of the Group’s operating revenues.

4. OPERATING REVENUES

Disaggregation of revenues

| | <i>Notes</i> | Six-month period ended 30 June | |
|--------------------------------------------|--------------|-------------------------------------------|---------------------------|
| | | 2024 | 2023 |
| | | <i>RMB million</i> | <i>RMB million</i> |
| Type of goods or services | | | |
| Service revenues | | 246,235 | 235,977 |
| Mobile communications service revenues | <i>(i)</i> | 105,217 | 101,607 |
| Wireline and Smart Family service revenues | <i>(ii)</i> | 63,993 | 62,024 |
| Industrial Digitalisation service revenues | <i>(iii)</i> | 73,750 | 68,802 |
| Other service revenues | <i>(iv)</i> | 3,275 | 3,544 |
| Sales of goods and others | <i>(v)</i> | 21,776 | 24,687 |
| Total operating revenues | | 268,011 | 260,664 |
| Revenue from customer contracts | | 265,002 | 257,690 |
| Revenue from other sources and others | | 3,009 | 2,974 |
| Total operating revenues | | 268,011 | 260,664 |
| Timing of revenue recognition | | | |
| A point in time | | 19,689 | 22,619 |
| Over time | | 248,322 | 238,045 |
| Total operating revenues | | 268,011 | 260,664 |

Notes:

- (i) Represent primarily the aggregate amount of mobile communications service fees, mobile Internet access service fees, and short messaging service fees, etc., charged to customers for the provision of mobile services.

- (ii) Represent primarily the aggregate amount of wireline communications service fees, broadband Internet access service fees, e-Surfing HD service fees and Smart Family applications service fees, etc., charged to customers for the provision of wireline services.
- (iii) Represent primarily the aggregate amount of fees charged to customers for the provision of Internet data centre services, cloud services, digital platform services, dedicated Internet access services, etc.
- (iv) Represent primarily the aggregate amount of revenues from property rental and other revenues.
- (v) Represent primarily revenues from sales of mobile terminal equipment as well as wireline communications equipment and government grants.

5. NET FINANCE COSTS

| | Six-month period ended 30 June | |
|-------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------|
| | 2024 | 2023 |
| | <i>RMB million</i> | <i>RMB million</i> |
| Interest expense on lease liabilities | 912 | 1,107 |
| Interest expense on short-term and long-term debts | 320 | 258 |
| Less: Interest expense capitalised* | (40) | (46) |
| | <hr/> | <hr/> |
| Net interest expense | 1,192 | 1,319 |
| Interest income | (1,042) | (1,039) |
| Net foreign exchange gain or loss and others | 100 | 203 |
| | <hr/> | <hr/> |
| | 250 | 483 |
| | <hr/> <hr/> | <hr/> <hr/> |
| * Interest expense was capitalised in construction in progress at the following rates per annum | 2.8%–3.2% | 2.8%–3.6% |
| | <hr/> <hr/> | <hr/> <hr/> |

6. INCOME TAX

Income tax in the profit or loss comprises:

| | Six-month period ended 30 June | |
|-----------------------------------------------------|-------------------------------------------|--------------------|
| | 2024 | 2023 |
| | <i>RMB million</i> | <i>RMB million</i> |
| Provision for PRC income tax | 5,761 | 4,230 |
| Provision for income tax in other tax jurisdictions | 103 | 125 |
| Deferred taxation | 409 | 1,651 |
| | <hr/> | <hr/> |
| | 6,273 | 6,006 |
| | <hr/> <hr/> | <hr/> <hr/> |

A reconciliation of the expected tax expense with the actual tax expense is as follows:

| | | Six-month period ended 30 June | |
|--------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|--------------------|
| | | 2024 | 2023 |
| | <i>Notes</i> | <i>RMB million</i> | <i>RMB million</i> |
| Profit before taxation | | <u>28,239</u> | <u>26,180</u> |
| Expected income tax expense at statutory tax rate of 25% | <i>(i)</i> | 7,060 | 6,545 |
| Impact of tax incentives and reduction including additional deduction for qualified research and development costs, etc. | | (568) | (432) |
| Differential tax rate on mainland China subsidiaries' and branches' income | <i>(i)</i> | (364) | (416) |
| Differential tax rate on other subsidiaries' income | <i>(ii)</i> | (32) | (22) |
| Non-deductible expenses | <i>(iii)</i> | 434 | 424 |
| Non-taxable income | <i>(iv)</i> | (333) | (260) |
| Tax effect of deductible temporary difference and deductible tax loss for which no deferred tax asset was recognised | | 177 | 353 |
| Others | <i>(v)</i> | <u>(101)</u> | <u>(186)</u> |
| Income tax expense | | <u>6,273</u> | <u>6,006</u> |

Notes:

- (i) Except for certain subsidiaries and branches which are mainly taxed at the preferential rate of 15%, the provision for mainland China income tax is based on a statutory rate of 25% of the assessable income of the Company, its mainland China subsidiaries and branches as determined in accordance with the relevant income tax rules and regulations of mainland China.
- (ii) Income tax provisions of the Company's subsidiaries in Hong Kong and Macau Special Administrative Regions of the PRC, and in other countries are based on the subsidiaries' assessable income and income tax rates applicable in the respective tax jurisdictions which range from 12% to 38%.
- (iii) Amounts represent miscellaneous expenses in excess of statutory deductible limits for tax purposes.
- (iv) Amounts represent share of profits of associates and joint ventures and miscellaneous income which are not subject to income tax.
- (v) Amounts primarily represent settlement of tax filing differences of prior year annual tax return, etc.

7. EARNINGS PER SHARE

The calculation of basic earnings per share for the six-month periods ended 30 June 2024 and 30 June 2023 is based on the profit attributable to equity holders of the Company of RMB21,812 million and RMB20,153 million, respectively, divided by 91,507,138,699 shares in issue.

The amount of diluted earnings per share equals basic earnings per share as there were no potential ordinary shares in existence for the periods presented.

8. DIVIDENDS

Pursuant to the shareholders' approval at the Annual General Meeting held on 27 May 2024, a final dividend of RMB0.090 (equivalent to HK\$0.098814) per share (pre-tax) totalling approximately RMB8,236 million in respect of the year ended 31 December 2023 was declared. The dividend of RMB7,082 million was paid on 13 June 2024, and the dividend of RMB1,154 million was paid on 26 July 2024.

The 2022 Annual General Meeting considered and approved the authorisation to the Board of Directors to decide on the interim profit distribution plan of the Company for year 2023. Pursuant to a resolution at the Board of Directors' meeting on 8 August 2023, an interim dividend of RMB0.1432 (equivalent to HK\$0.156524) per share (pre-tax) totalling approximately RMB13,104 million in respect of the six-month period ended 30 June 2023 was declared. The dividend of RMB11,117 million was paid on 31 August 2023, and the dividend of RMB1,987 million was paid on 28 September 2023.

Pursuant to the shareholders' approval at the Annual General Meeting held on 23 May 2023, a final dividend of RMB0.076 (equivalent to HK\$0.085065) per share (pre-tax) totalling approximately RMB6,955 million in respect of the year ended 31 December 2022 was declared. The dividend of RMB5,900 million was paid on 9 June 2023, and the dividend of RMB1,055 million for was paid on 21 July 2023.

9. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, are analysed as follows:

| | | 30 June 2024 | 31 December 2023 |
|-----------------------------------------------|--------------|---------------------------|---------------------|
| | <i>Notes</i> | <i>RMB million</i> | <i>RMB million</i> |
| Third parties | | 64,079 | 37,861 |
| China Telecom Group | <i>(i)</i> | 2,370 | 1,670 |
| China Tower | <i>(ii)</i> | 33 | 24 |
| Other telecommunications operators in the PRC | | 1,241 | 893 |
| | | 67,723 | 40,448 |
| Less: Allowance for credit losses | | (11,989) | (8,238) |
| | | 55,734 | 32,210 |

Notes:

- (i) China Telecommunications Corporation together with its subsidiaries other than the Group are referred to as “China Telecom Group”.
- (ii) China Tower Corporation Limited, an associate of the Company, is referred to as “China Tower”.

Ageing analysis of accounts receivable from telephone and Internet subscribers based on the billing dates is as follows:

| | 30 June 2024 | 31 December 2023 |
|-----------------------------------|---------------------------|---------------------|
| | <i>RMB million</i> | <i>RMB million</i> |
| Current, within 1 month | 9,418 | 6,073 |
| 1 to 3 months | 3,811 | 2,554 |
| 4 to 6 months | 1,491 | 905 |
| 7 to 12 months | 1,535 | 1,469 |
| Over 12 months | 2,538 | 1,604 |
| | 18,793 | 12,605 |
| Less: Allowance for credit losses | (5,587) | (3,944) |
| | 13,206 | 8,661 |

Ageing analysis of accounts receivable from other telecommunications operators and enterprise customers based on dates of rendering of services is as follows:

| | 30 June 2024 | 31 December 2023 |
|-----------------------------------|-------------------------|---------------------|
| | <i>RMB million</i> | <i>RMB million</i> |
| Within 6 months | 34,491 | 17,601 |
| 7 to 12 months | 6,224 | 5,540 |
| 1 to 2 years | 5,203 | 2,663 |
| 2 to 3 years | 1,634 | 913 |
| Over 3 years | 1,378 | 1,126 |
| | <hr/> | <hr/> |
| | 48,930 | 27,843 |
| Less: Allowance for credit losses | (6,402) | (4,294) |
| | <hr/> | <hr/> |
| | 42,528 | 23,549 |
| | <hr/> <hr/> | <hr/> <hr/> |

10. ACCOUNTS PAYABLE

Accounts payable are analysed as follows:

| | 30 June 2024 | 31 December 2023 |
|-----------------------------------------------|-------------------------|---------------------|
| | <i>RMB million</i> | <i>RMB million</i> |
| Third parties | 120,974 | 111,025 |
| China Telecom Group | 30,618 | 26,444 |
| China Tower | 9,863 | 7,505 |
| Other telecommunications operators in the PRC | 1,284 | 898 |
| | <hr/> | <hr/> |
| | 162,739 | 145,872 |
| | <hr/> <hr/> | <hr/> <hr/> |

Amounts due to China Telecom Group and China Tower are payable in accordance with contractual terms which are similar to those offered by third parties.

Ageing analysis of accounts payable based on the due dates is as follows:

| | 30 June 2024 | 31 December 2023 |
|----------------------------------------|-------------------------|---------------------|
| | <i>RMB million</i> | <i>RMB million</i> |
| Due within 1 month or on demand | 39,880 | 40,068 |
| Due after 1 month but within 3 months | 34,361 | 30,859 |
| Due after 3 months but within 6 months | 38,573 | 35,261 |
| Due after 6 months | 49,925 | 39,684 |
| | <hr/> | <hr/> |
| | 162,739 | 145,872 |
| | <hr/> <hr/> | <hr/> <hr/> |

11. EVENTS AFTER THE REPORTING PERIOD

On 11 March 2024, China Telecom Quantum Information Technology Group Limited, a wholly-owned subsidiary of the Company, entered into “The Conditional Non-Public A Share Subscription and Strategic Cooperation Agreement with Quantumctek Co., Ltd.” with Quantumctek Co., Ltd. (“Quantumctek”), planning to subscribe non-public issuance of A shares of Quantumctek with self-owned funds. The transaction has been approved by State-owned Assets Supervision and Administration Commission of the State Council and shareholder’s meeting of Quantumctek, and is yet to be approved by and registered with relevant authorities.

The dividend of RMB1,154 million (Note 8) of the Company was paid on 26 July 2024.

The Board of Directors has been authorised by 2023 Annual General Meeting to decide on the interim profit distribution plan. Pursuant to a resolution passed at the Board of Directors’ meeting on 20 August 2024, the Board of Directors has resolved to declare an interim dividend of RMB0.1671 (equivalent to HK\$0.182289) per share (pre-tax), totalling approximately RMB15,291 million, for the six-month period ended 30 June 2024. The dividend has not been provided for in the condensed consolidated financial information for the six-month period ended 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six-month period ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting matters of the Group including the review of the Interim Report for the six-month period ended 30 June 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company attaches great importance to corporate governance. We continued to make efforts in improving the Company's internal control mechanisms, strengthening information disclosure and enhancing the Company's transparency, continuously developing corporate governance practices and protecting shareholders' interests to the maximum degree.

The roles of Chairman and Chief Executive Officer of the Company were performed by the same individual, for the six-month period ended 30 June 2024. In the Company's opinion, through supervision by the Board of Directors and Independent Non-Executive Directors, with effective control of the Company's internal check and balance mechanism, the same individual performing the roles of Chairman and Chief Executive Officer can enhance the Company's efficiency in decision-making and execution and effectively capture business opportunities. Many leading international corporations around the world also have similar arrangements.

Save as stated above, the Company has been in compliance with all the code provisions under the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six-month period ended 30 June 2024.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules to govern securities transactions by Directors and Supervisors. Based on the written confirmations from the Directors and Supervisors, the Company's Directors and Supervisors have confirmed their compliance with the Model Code regarding the requirements in conducting securities transactions for the period from 1 January 2024 to 30 June 2024.

INTERIM DIVIDEND

Authorisation to the Board of the Company to decide on the interim profit distribution plan of the Company for year 2024 has been approved by the shareholders at the Annual General Meeting for the year 2023 held on 27 May 2024. After fully considering the returns to shareholders, the Company's profitability, cash flow level and capital needs for future development, the Board has resolved to distribute dividends in the aggregate amount of RMB15.29 billion to all shareholders, representing over 70% of the profit attributable to equity holders of the Company in the amount of RMB21.81 billion for the six months ended 30 June 2024. Based on the total share capital registered on the record date for the dividend distribution, and based on the Company's total share capital of 91,507,138,699 shares as at 30 June 2024, an interim dividend of RMB0.1671 per share (equivalent to HK\$0.182289) (pre-tax) will be declared and paid to all shareholders. In case of any change in the total number of issued share capital of the Company before the record date for the implementation of the dividend distribution, the total distribution amount will remain unchanged and the distribution amount per share will be adjusted accordingly with specific adjustments to be announced separately.

The interim dividend is expected to be paid on or before 18 October 2024 to those shareholders whose names appear on the H Share Register of Members of the Company on Tuesday, 10 September 2024. For the purpose of determining H Share shareholders' entitlement to the interim dividend, the H Share Register of Members will be closed from Thursday, 5 September 2024 to Tuesday, 10 September 2024 (both days inclusive). In order to be entitled to the interim dividend, holders of H Shares who have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Wednesday, 4 September 2024. The Company will announce the specific arrangement for the payment of interim dividend to holders of A Shares separately on the Shanghai Stock Exchange.

Dividends will be denominated and declared in Renminbi. Dividends for holders of A Shares and the investors of the Shanghai Stock Exchange and Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Southbound Trading Link") (the "Southbound Investors") will be paid in Renminbi, whereas dividends for H Share shareholders other than Southbound Investors will be paid in Hong Kong dollars. The relevant exchange rate will be the average median rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the week prior to the date of declaration of dividends (i.e., 20 August 2024) (RMB0.916676 equivalent to HK\$1.00).

Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China”, the “Implementation Rules of the Enterprise Income Tax Law of the People’s Republic of China” and the “Circular of the State Taxation Administration on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares” (Guo Shui Han [2008] No. 897), the Company shall be obliged to withhold and pay 10% enterprise income tax when it distributes the 2024 interim dividend to non-resident enterprise shareholders of overseas H Shares (including HKSCC Nominees Limited, other corporate nominees or trustees, and other entities or organisations) whose names appear on the Company’s H Share Register of Members on Tuesday, 10 September 2024.

Pursuant to the “Notice of the State Taxation Administration on Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045” (Guo Shui Han [2011] No. 348), if the individual H Share shareholders who are Hong Kong or Macau residents and those whose country of domicile is a country which has entered into a tax treaty with PRC stipulating a dividend tax rate of 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of the individual H Share shareholders. If the individual H Share shareholders whose country of domicile is a country which has entered into a tax treaty with PRC stipulating a dividend tax rate of less than 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of the individual H Share shareholders. If the individual H Share shareholders whose country of domicile is a country which has entered into a tax treaty with PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If the individual H Share shareholders whose country of domicile is a country which has entered into a tax treaty with PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Share shareholders. If those shareholders need to request a refund of tax overpaid from the PRC tax authorities on his own or through an agent or the Company in accordance with the relevant requirements of the “Announcement of the State Taxation Administration on Promulgating the Administrative Measures for Non-resident Taxpayers for Treatments under Tax Treaties” (Announcement [2019] No. 35 of the State Taxation Administration), they shall submit the “Information Report on Non-resident Taxpayers for Treatments under Tax Treaties” (Announcement [2019] No. 35 of the State Taxation Administration), and collect and file such information.

The Company will determine the country of domicile of the individual H Share shareholders based on the registered address as recorded in the H Share Register of Members of the Company on Tuesday, 10 September 2024 (the “Registered Address”). If the country of domicile of an individual H Share shareholder is not the same as the Registered Address or if the individual H Share shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual H Share shareholder shall notify and provide relevant supporting documents to the Company on or before Wednesday, 4 September 2024. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and payment provisions and arrangements. Individual H Share shareholders may either personally attend or appoint a representative to attend to the procedures in accordance with the requirements under the tax treaties notice if they do not provide the relevant supporting documents to the Company within the time period stated above.

For Southbound Investors (including enterprises and individuals), the Shanghai branch of China Securities Depository and Clearing Corporation Limited and the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the investors of the Southbound Trading Link, will receive all dividends distributed by the Company and will distribute the dividends to the relevant investors under the Southbound Trading Link through its depository and clearing system. According to the relevant provisions under the “Notice on Taxation Policies for Shanghai-Hong Kong Stock Connect Pilot Programme” (Cai Shui [2014] No. 81) and “Notice on Taxation Policies for Shenzhen-Hong Kong Stock Connect Pilot Programme” (Cai Shui [2016] No. 127), the Company shall withhold and pay individual income tax at the rate of 20% with respect to dividends received by the Mainland individual investors for investing in the H Shares of the Company listed on the Stock Exchange through the Southbound Trading Link. In respect of the dividends received by Mainland securities investment funds investing in the H Shares of the Company listed on the Stock Exchange through the Southbound Trading Link, the tax levied shall be ascertained by reference to the rules applicable to individual investors. The Company is not required to withhold and pay income tax on dividends derived by the Mainland enterprise investors under the Southbound Trading Link, and such enterprises shall report the income and make tax payment by themselves. The record date for entitlement to the shareholders’ rights and the relevant arrangements of dividend distribution for the Southbound Investors are the same as those for the Company’s H Share shareholders.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Share shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Share shareholders or any disputes relating to the tax withholding and payment mechanism or arrangements.

For H Share shareholders other than the Southbound Investors, the Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent in Hong Kong (the “Receiving Agent”) and will pay to such Receiving Agent the interim dividend declared for payment to H Share shareholders other than the Southbound Investors. The Receiving Agent will pay the interim dividend net of the applicable tax on 18 October 2024. The relevant dividend warrants will be despatched to H Share shareholders by ordinary post and the risk of errors involved in the postage will be borne by the H Share shareholders. For the Southbound Investors, the interim dividend net of the applicable tax will be paid by the Company to the Shanghai branch of China Securities Depository and Clearing Corporation Limited and the Shenzhen branch of China Securities Depository and Clearing Corporation Limited on 18 October 2024. The Shanghai branch of China Securities Depository and Clearing Corporation Limited and the Shenzhen branch of China Securities Depository and Clearing Corporation Limited will pay the interim dividend net of the applicable tax to the Southbound Investors.

INTERIM REPORT

The Interim Report for the six-month period ended 30 June 2024 prepared in accordance with IFRS Accounting Standards will be made available on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.chinatelecom-h.com) and despatched to holders of H shares who have requested to receive printed copies in due course.

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

Beijing, China, 20 August 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. 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).