Press Release
20 August 2026
For Immediate Release

China Telecom Corporation Limited
Announces Interim Results for Year 2026

FINANCIAL HIGHLIGHTS[1]

(RMB Million)	2026 First Half	2025 First Half	Rates of change
Revenue from principal businesses[2]	244,095	249,266	-2.1%
of which: Communications revenue	212,955	220,176	-3.3%
Intelligence revenue	31,141	29,090	7.1%
EBITDA[3]	74,357	80,588	-7.7%
Net Profit[4]	19,588	23,017	-14.9%
EPS *(RMB)*	0.21	0.25	-14.9%
ROE	4.2%	5.0%	-0.8pp
Free cash flow[5]	28,927	13,072	121.3%
Interim dividend per share *(RMB)*	0.1606	0.1812	-11.4%

BUSINESS HIGHLIGHTS

(Million)	2026.06	2025	Net addition
Mobile Subscribers	442.43	438.65	3.78
of which: 5G Network Subscribers	322.50	301.81	20.69
Wireline Broadband Subscribers	201.28	201.12	0.16

(kTB)	2026 First Half	2025 First Half	Rates of change
Handset Data Traffic	57,289	49,953	14.7%

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1 All figures are based on IFRS Accounting Standards

2 Revenue from principal businesses comprises revenue from Communications Business (including mobile communications, wireline communications, IoT, satellite services, information services, etc.) and revenue from Intelligence Business (including computing power, platforms, data, models, intelligent applications, etc.)

3 EBITDA = operating revenues – operating expenses + depreciation and amortisation

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

5 Free cash flow = Net cash flow from operating activities – Capital expenditure

China Telecom Corporation Limited (hereinafter "China Telecom" or the "Company", Stock Code on the Hong Kong Stock Exchange: 728 / Stock Code on the Shanghai Stock Exchange: 601728) announces its 2026 interim results today in Hong Kong.

In the first half of 2026, China Telecom fully, accurately, and comprehensively implemented the new development philosophy, actively served and integrated into the new development paradigm. It resolutely fulfilled its responsibilities in building China's strength in cyberspace, science and technology, Digital China, as well as safeguarding network and information security. The Company fully implemented its "Cloudification, Digital Transformation and AI for Good" strategy, continued to deepen the Five-Sphere Integrated intelligent cloud system, achieved remarkable results in sci-tech innovation, made further headway in the "AI+" initiative, and continuously enhanced cloud-network capabilities. It continued to deepen reform and opening up with "Intelligence Transformation" at the core, refreshed its growth drivers and optimised its structure, and made solid strides towards high-quality corporate development.

In the first half of 2026, the Company's operating revenues amounted to RMB260.5 billion. Revenue from principal businesses amounted to RMB244.1 billion, remaining stable on a comparable basis[6], of which, revenue from Communications Business amounted to RMB213.0 billion, and revenue from Intelligence Business reached RMB31.1 billion, representing an increase of 7.1% year-on-year, accounting for 12.8% of revenue from principal businesses, up 1.1pp year-on-year. Revenue from China Telecom Cloud reached RMB61.8 billion, representing an increase of 7.8% year-on-year. EBITDA amounted to RMB74.4 billion. Net profit amounted to RMB19.6 billion, maintaining favourable growth on a comparable basis. The basic earnings per share were RMB0.21. Capital expenditure was RMB32.4 billion, and free cash flow reached RMB28.9 billion, representing an increase of 121.3% year-on-year.

Taking the Company's profitability into full consideration, alongside cash flow levels and capital needs for its future development, the Board of Directors has decided to continue distributing an interim dividend in 2026, with the profit to be distributed in cash representing 75% of the profit attributable to equity holders of the Company for the first half of the year, representing an increase of 3pp year-on-year, i.e., RMB0.1606 per share (pre-tax), thereby continuously creating value for shareholders.

[6] On a comparable basis: excluding the impact of the adjustment to the scope of application of VAT classification items in the first half of 2026

The Company embraced AI on all fronts. It comprehensively implemented its “Cloudification, Digital Transformation and AI for Good” strategy, further intensified research into its No. 1 technology “Xirang”, continued to deepen the construction of the intelligent cloud system, and accelerated the development of new digital information infrastructure, making new headway in building itself into a service-oriented, technology-oriented, and secured enterprise.

The Company continued to advance the upgrade and effective implementation of its strategies, further refined its intelligent cloud system, and vigorously pushed forward Token operations. It continued to enrich the substance of its positioning as a service-oriented enterprise in the intelligent era, strove to improve the quality and efficiency of Communications Business, drive the rapid growth of Intelligence Business, and open up new room for value growth. The Company was the first in the industry to launch nationwide Token packages. It launched and continued to enhance its Xingchen TokenHub, providing easily accessible and high-quality computing power, data, models and AI applications for customers, increasing Token consumption rapidly.

In terms of the Communications Business, the Company advanced the upgrade of its connectivity business from a “communication channel” to an “intelligent portal”, accelerating the integration of AI into the connectivity business and expanding new value frontiers for connectivity. For mobile networks, it sped up the large-scale commercial deployment and capability upgrade of 5G-A. Leveraging the differentiated strengths of integrated communication and sensing as well as high-speed ubiquitous coverage, it delivered an exceptional next-generation mobile connectivity experience featuring ultra-high speed, low latency and high reliability. The penetration rate of 5G network subscribers was 72.9%, 5G-A subscribers reached 4.68 million, and the DOU of mobile subscribers rose by 10.6% year-on-year. For broadband networks, the Company continued to promote the upgrade of “Gigabit + FTTR”, made ongoing efforts to strengthen and solidify household digital infrastructure, and continuously improved broadband speeds and indoor coverage quality, with the gigabit broadband penetration rate reaching 34.3%, an increase of 2.7pp from the end of the previous year. For the connectivity services in the government and enterprise business, the Company actively promoted the expansion of virtual networks, dedicated lines and corporate all-optical network businesses. It cultivated vertical industry scenarios and uncovered the value of vertical markets by rolling out innovative applications. The Company accelerated the development of its space-aerial-ground integrated network, promoted multi-network synergies across mobile communication, all-optical and satellite networks, achieving advantages in connectivity across all domains.

In terms of the Intelligence Business, at the IaaS layer, the Company formed a computing power layout covering general computing, intelligent computing, supercomputing, and quantum computing, and achieved comprehensive coverage of all-optical networks, computing power internet, mobile communication networks, and satellite networks, providing a computing foundation characterised by cloud-network integration. Revenue from AIDC business grew by 9.3% year-on-year, and revenue from intelligent computing increased by 95.0% year-on-year. At the PaaS layer, the Company upgraded the Xirang computing power interconnection scheduling platform to Xirang 2.0, which supported computing power from more than 20 types of heterogeneous chips, while the total scale of self-owned and accessed intelligent computing power exceeded 118.8 EFLOPS; 16 algorithms enabled the integrated scheduling of computing power, networks and models, providing efficient, low-loss and low-latency Token transmission services. At the DaaS layer, the Company accelerated the expansion of high-quality data products, aggregating over 20 trillion Tokens of high-quality foundation model training data and 500 high-quality industry datasets. At the MaaS layer, the Xingchen TokenHub brought together 142 large models and built a cross-terminal, cross-business and cross-scenario integrated Token operation service platform. To further enhance the supply of “AI+” industry applications, the Company developed and promoted more than 420 industry-specific agents and 102 industry-specific Skills. At the SaaS layer, internal AI adoption and external empowerment were accelerated. It delivered cumulative cost reductions and efficiency gains totalling over RMB1.4 billion. Both internal adoption and external empowerment continued to progress. The Company accelerated the large-scale deployment of AI technology, worked to develop AI-native products and launched its AI-native application, Xingchen super intelligent agent, TeleAgent.

Meanwhile, the Company focused on quantum communication, quantum computing and quantum precision measurement. To that end, the Company continuously upgraded quantum product capabilities and expanded market coverage, developed quantum-enabled application scenarios across key products such as Internet of Video Things (IoVT), IoT, low-altitude economy, and cloud services, with the number of quantum communication subscribers reaching 7.2 million. The Company continued to expand its footprint in IoVT. The number of terminals connected to its IoVT has reached the 100-million level. The Company built the AI+ "1+1+4+N"[7]low-altitude economy core capability system, which fully covered critical links such as low-altitude infrastructure, flight services, and security prevention and control, to strengthen low-altitude security protection and scale up scenario deployment.

Balancing development and security, and placing great emphasis on security governance in the AI era, the Company accelerated the refinement of a security protection system compatible with the development of intelligent cloud, and further advanced the mutual empowerment of AI and security. The Company continued to enhance independent and controllable security protection capabilities. It consolidated the defence system for cloud and network foundation, built the full-stack "1+N+1"[8] security capabilities for intelligent cloud, and enhanced security technologies for computing power network integration. It deepened the systematic governance of data security, strengthened the protection capabilities for data circulation, and forged trusted computing and privacy computing capabilities.

2026 marks the beginning of China's 15th Five-Year Plan period. Currently, China's economy demonstrates a progressive trend characterised by innovation-driven momentum and structural optimisation. A new round of sci-tech revolution and industrial transformation is accelerating breakthroughs. Artificial intelligence technology innovation has entered an unprecedentedly active period, emerging as a new engine for economic growth and an accelerator for shifting from old growth drivers to new ones. The planning and construction of "Six Networks", including the computing power network and the new-generation communication network, among others, bring new opportunities for the industry and the Company's development. Going forward, the Company will fully implement the "Cloudification, Digital Transformation and AI for Good" strategy, keep advancing the construction of its Five-Sphere Integrated intelligent cloud system, and deeply implement the "AI+" initiative. With Token operations as the main thread, the Company will promote the development of new forms of the intelligent economy, continue to dedicate itself to delivering original and leading sci-tech innovations, continuously strengthen its inherent AI security capabilities, accelerate the construction of new digital information infrastructure, further deepen reforms and opening up on all fronts, comprehensively enhance its corporate governance capabilities, and accelerate high-quality development. Through these efforts, the Company aims to secure a good start for the 15th Five-Year Plan period, enabling the Company to take the lead, shoulder the responsibilities, and set an example in Chinese modernisation!

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[7] 1+1+4+N: 1 integrated service solution foundation, 1 low-altitude intelligent network, 4 major supporting platforms, and N scenario-based applications

[8] 1+N+1: 1 Yunxi integrated AI security platform, N core AI security capabilities, 1 Agentic SOC

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

FORWARD-LOOKING STATEMENTS

The development strategies, future business plans, prospects and other forward-looking statements in this document do not constitute commitment by China Telecom Corporation Limited to investors. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, we do not intend to update these forward-looking statements. Investors are advised to pay attention to investment risks.

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