

IMPORTANT NOTICE

1. The financial statements of the Company for the year of 2022 prepared in accordance with the International Financial Reporting Standards (“IFRSs”) have been audited by PricewaterhouseCoopers, who has issued a standard unqualified audit report.
2. The profit distribution proposal or proposal for conversion of capital reserve into share capital for the Reporting Period approved by the Board

Pursuant to the previous decision of the Board, within three years after the A Share Offering and Listing, the profit to be distributed by the Company in cash for each year will gradually increase to 70% or above of the profit attributable to equity holders of the Company for that year. After fully considering the Company’s cash flow level, the cash return to shareholders, etc., the Board of Directors proposed a final dividend of RMB0.076 per share (pre-tax) in an aggregate amount of RMB6,955 million calculated based on 91,507 million shares, being the total number of issued share capital of the Company as at the end of 2022. The dividend distribution is derived from net profit realised in the current period. Together with the 2022 interim dividend of RMB0.120 per share (pre-tax) which has been distributed, the full-year dividend of 2022 amounts to RMB0.196 per share (pre-tax) in an aggregate amount of RMB17,935 million which represents 65% of the profit attributable to equity holders of the Company for the year 2022. 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.

The profit distribution plan shall be submitted to the 2022 Annual General Meeting of the Company for consideration.

3. Risk Statement of Forward-Looking Statements

Forward-looking statements, such as development strategies, future business plans and prospects, contained in the 2022 annual report of the Company do not constitute a commitment of the Company to investors. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may cause the Company’s actual performance, financial condition or results of operations to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, the Company will not update these forward-looking statements. Investors should be aware of the investment risks.

4. Significant Risk Warning

The Company has described in detail the economic and policy environment adaptation risks, business operation risks, network and information security risks and international operation risks in this report. Please refer to the “Management’s Discussion and Analysis (Report of the Directors)” in this report.

SECTION I DEFINITIONS

DEFINITIONS

In this report, unless the context otherwise requires, the following terms and expressions have the following meanings:

2B	To Business, communication and informatisation services for government and enterprises
2C	To Customer, communication and informatisation services for individuals
2H	To Home, communication and informatisation services for households
5G	5th generation mobile communication technology
A Share(s)	Shares of the Company issued in mainland China, listed on domestic stock exchanges and subscribed and traded in RMB
AR	Augmented Reality
ARPU	Monthly average revenue per user
Artificial Intelligence/AI	Technology science that researches and develops theories, methodologies, technologies and application systems for simulating, extending and expanding human intelligence
Big Data	Massive, real-time and diversified data information that can be recorded, collected, developed and utilised, and big data-based mining and processing technology
Board/Board of Directors	The board of directors of the Company
CDN	Content Delivery Network. By adding a new layer of network architecture to the existing Internet, the content of the website is distributed to the edge of the network closest to the users, so that users can obtain the required content in the vicinity, improving the transmission speed of the network, solving the problem of Internet congestion and slow response

SECTION I DEFINITIONS

China Comservice/CCS	China Communications Services Corporation Limited (中國通信服務股份有限公司)
China Telecom Digital Intelligence Technology	China Telecom Digital Intelligence Technology Co., Ltd. (中電信數智科技有限公司)
China Telecom Finance	China Telecom Group Finance Co., Ltd. (中國電信集團財務有限公司)
China Telecom Global	China Telecom Global Limited (中國電信國際有限公司)
China Telecommunications	China Telecommunications Corporation (中國電信集團有限公司), formerly known as China Telecommunications Corporation (中國電信集團公司), the controlling shareholder of the Company
China Telecom/the Company	China Telecom Corporation Limited (中國電信股份有限公司), or where the context so requires, refers to China Telecom Corporation Limited and its subsidiaries
China Tower	China Tower Corporation Limited (中國鐵塔股份有限公司)
Chinese Accounting Standard/ China Accounting Standards for Business Enterprises	The Basic Standard of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and the specific accounting standards, application guidelines, interpretations and other relevant regulations subsequently revised
Cloud Company	China Telecom Cloud Technology Co., Ltd (天翼雲科技有限公司)
Cloud Computing	An Internet technology that provides flexible and on-demand services to external users through the Internet with pooled cluster computing capabilities
Company Law	The Company Law of the PRC
CSRC	China Securities Regulatory Commission

DDoS Attack	Distributed Denial of Service Attack, which means multiple attackers in different locations attacking one or several targets at the same time, or an attacker controls multiple machines in different locations and uses these machines to attack the victim at the same time
Distributed cloud	A public cloud computing service that lets a user operate public cloud infrastructure in multiple different locations, and manage from a single control plane
East-to-West Computing Resource Transfer	The national project orderly directing computing power demand in Eastern part of PRC to Western part of PRC by building a new computing power network system consisting of datacentre, Cloud Computing and Big Data, with an aim to optimise the construction layout of datacentres and facilitate east-west coordination
E-surfing Pay	E-surfing Pay Co., Ltd (天翼電子商務有限公司)
EFLOPS	FLOPS, Floating-Point Operations Per Second, which is commonly used to estimate computer performance; “E” stands for “Exa” and means 10^{18} ; therefore EFLOPS implies 10^{18} times of floating-point operations per second
Fujian Investment Group	Fujian Investment & Development Group Co., Ltd. (福建省投資開發集團有限公司)
Guangdong Rising	Guangdong Rising Holdings Group Co., Ltd. (廣東省廣晟控股集團有限公司), formerly known as Guangdong Rising Assets Management Co., Ltd. (廣東省廣晟資產經營有限公司)
H Share(s)	Shares of the Company that are issued outside mainland China, listed on the Stock Exchange and subscribed and traded in Hong Kong dollars
IDC	Internet Datacentre

SECTION I DEFINITIONS

IFRSs/International Financial Reporting Standards	The International Financial Reporting Standards, amendments and interpretations issued from time to time by the International Accounting Standards Board
Internet of Things/IoT	Various sensory devices that are based on computer and communication technology, using cellular mobile network, wired network, wireless network, etc. to complete the transmission, coordination and processing of information, so as to realise the network of communication between objects and things, and communication between objects and people
IoT Company	Tianyi IoT Technology Co., Ltd. (天翼物聯科技有限公司)
Jiangsu Guoxin	Jiangsu Guoxin Group Limited (江蘇省國信集團有限公司), formerly known as Jiangsu Guoxin Investment Group Co., Ltd. (江蘇省國信資產管理集團有限公司)
Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
MIIT	Ministry of Industry and Information Technology
PCT	Patent Cooperation Treaty, an international treat that assists applicants in seeking patent protection internationally for their inventions, helps patent offices with their patent granting decisions, and facilitates public access to a wealth of technical information relating to those inventions
Prospectus	The prospectus in connection with the initial public offering of A Shares of China Telecom Corporation Limited
Quantum-encrypted Calls	The communication technology that is closely integrated with quantum information technology to achieve end-to-end voice calls and other encryption protection, and provide users with stable and reliable quantum protection secure communication services

Reporting Period	Period from 1 January 2022 to 31 December 2022
SASAC	State-owned Assets Supervision and Administration Commission of the State Council
Securities Law	The Securities Law of the PRC
Security Company	Tianyi Safety Technology Co., Ltd. (天翼安全科技有限公司)
SSE	Shanghai Stock Exchange
SSE Listing Rules	The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
Stock Exchange/Hong Kong Stock Exchange/HKSE	The Stock Exchange of Hong Kong Limited
Tbps	Terabit per second
The Offering/A Share Offering	The public offering of RMB ordinary shares (A Shares) by the Company in 2021
Dual Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
VR	Virtual Reality
Zhejiang Financial Development	Zhejiang Provincial Financial Development Co., Ltd. (浙江省財務開發有限公司), formerly known as Zhejiang Financial Development Company (浙江省財務開發公司)

SECTION VI SIGNIFICANT EVENTS

1. PERFORMANCE OF UNDERTAKINGS

(1) The ultimate controller, shareholders, related parties, acquirers of the Company, the Company, and other relevant parties of the undertakings during or subsisting to the Reporting Period

Background of undertaking	Type of undertakings	Undertaking party	Content of undertakings	Term for undertakings	Whether there is a term for performance	Whether performed timely and strictly	Specific reasons for the failure to timely honor the undertaking	Further plans in the event of failing to timely honor the undertakings
Undertakings related to the initial public offering	Restricted tradable shares	Controlling shareholder	Restrictions on the circulation of the shares and the shareholders' commitment to voluntary lock-up their shares	36 months from the date of A Share listing of the Company	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Restricted tradable shares	Guangdong Rising, Zhejiang Financial Development, Fujian Investment Group, Jiangsu Guoxin	Restrictions on the circulation of the shares and the shareholders' commitment to voluntary lock-up their shares	12 months from the date of A Share listing of the Company	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Restricted tradable shares	Controlling shareholder, Guangdong Rising	Undertakings on intention to hold shares and intention to sell shares	Long-term	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Resolving peer competition	Controlling shareholder	Non-competition undertaking	Long-term	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Resolving related party transactions	Controlling shareholder, Guangdong Rising	Undertakings to regulate and reduce related party transactions	Long-term	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Resolution of defects in property rights of land	Controlling shareholder	Loss-bearing commitment for defects in property rights of land	Long-term	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Others	Controlling shareholder	Commitment to long-term use of trademark license	Long-term	Yes	Yes	N/A	N/A

SECTION VI SIGNIFICANT EVENTS

Background of undertaking	Type of undertakings	Undertaking party	Content of undertakings	Term for undertakings	Whether there is a term for performance	Whether performed timely and strictly	Specific reasons for the failure to timely honor the undertaking	Further plans in the event of failing to timely honor the undertakings
Undertakings related to the initial public offering	Others	Controlling shareholder, the Company, directors and senior management other than independent directors and directors who do not receive remuneration from the Company	Undertakings to stabilise the share price	Within three years from the date of A Share listing of the Company	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Others	The Company, controlling shareholder, directors and senior management	Undertaking to adopt remedial measures for dilution of the immediate returns by the issuance of share	Long-term	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Others	The Company, controlling shareholder, directors, supervisors and senior management	Undertaking that there is no false record, misleading statement, or material omission in the Prospectus	Long-term	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Others	The Company, controlling shareholder, directors, supervisors and senior management	Undertaking on binding measures for the failure to perform the commitment	Long-term	Yes	Yes	N/A	N/A
Undertakings related to the initial public offering	Others	The Company	Undertaking on disclosure of shareholders' information	Long-term	Yes	Yes	N/A	N/A
Others	Dividend	The Company	Undertaking on the profit distribution policy and the arrangement in relation to the accumulated profits	Long-term	Yes	Yes	N/A	N/A

2. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

Unit: 0'000 Currency: RMB

	Appointed
Name of the domestic accounting firm	PricewaterhouseCoopers Zhong Tian LLP
Remuneration of the domestic and overseas accounting firms	6,280
Duration of audit of the domestic accounting firm	2 years
Names of certified public accountants of the domestic accounting firm	Song Shuang, Liu Yuanbo
Duration of audit services provided by certified public accountants of the domestic accounting firm	Song Shuang (2 years), Liu Yuanbo (2 years)
Name of overseas accounting firm	PricewaterhouseCoopers
Duration of audit of the overseas accounting firm	2 years

	Name	Remuneration
Accounting firm for internal control auditing	PricewaterhouseCoopers Zhong Tian LLP	1,430

Note: The remuneration for internal control auditing is included in the remuneration of domestic and overseas accounting firms.

3. MATERIAL CONNECTED TRANSACTIONS

(1) CONTINUING CONNECTED TRANSACTIONS

The following table sets out the amounts of the Group's continuing connected transactions for the year ended 31 December 2022:

TRANSACTIONS	Transaction amounts (RMB million)	Annual monetary cap for continuing connected transactions (RMB million)
(1) CONTINUING CONNECTED TRANSACTIONS ENTERED INTO BETWEEN THE GROUP AND CHINA TELECOMMUNICATIONS¹ AND/OR ITS ASSOCIATES (EXCLUDING THE GROUP)		
Engineering Framework Agreement		
Provision of engineering services by China Telecommunications and/or its associates	16,993	19,000
Ancillary Telecommunications Services Framework Agreement		
Provision of ancillary telecommunications services by China Telecommunications and/or its associates	22,309	26,500
Community Services Framework Agreement		
Provision of community services by China Telecommunications and/or its associates	4,340	5,200
Centralised Services Agreement		
Provision of centralised services by China Telecommunications and/or its associates	870	1,800
Provision of centralised services by the Group	3,572	3,700

SECTION VI SIGNIFICANT EVENTS

TRANSACTIONS	Transaction amounts (RMB million)	Annual monetary cap for continuing connected transactions (RMB million)
Property and Land Use Right Leasing Framework Agreement		
Total value of right-of-use assets (for those leases of which the lease term exceeds 12 months) and interest of lease liabilities involved in the properties leased by the Group	484	520
Total value of other payments (including rent for those leases of which the lease term is no more than 12 months) involved in the properties leased by the Group	715	760
Amount payable for properties leased by China Telecommunications and/or its associates	51	100
IT Services Framework Agreement		
Provision of IT services by China Telecommunications and/or its associates	4,834	5,300
Provision of IT services by the Group	1,944	2,100
Supplies Procurement Services Framework Agreement		
Provision of supplies procurement services by China Telecommunications and/or its associates	4,249	5,000
Provision of supplies procurement services by the Group	4,692	7,200
Internet Applications Channel Services Framework Agreement		
Provision of Internet applications channel services by the Group	57	600
Lease Financing Framework Agreement		
Provision of lease financing services by China Telecommunications and/or its associates	2,212	7,300
Telecommunications Resources Leasing Agreement		
Provision of telecommunications resources leasing services by China Telecommunications and/or its associates	442	750

TRANSACTIONS	Transaction amounts (RMB million)	Annual monetary cap for continuing connected transactions (RMB million)
(2) CONTINUING CONNECTED TRANSACTIONS ENTERED INTO BETWEEN CHINA TELECOM FINANCE AND THE GROUP, THE PARENT GROUP², THE CCS GROUP³, NEW GUOMAI GROUP⁴ AND SAFETY TECHNOLOGY GROUP⁵ RESPECTIVELY		
Maximum daily balance of deposits (including accrued interest) deposited by the Group with China Telecom Finance	35,201	60,000
Maximum daily loan and bill discounting balance (including accrued interest) provided by China Telecom Finance to the Parent Group	8,047	14,000
Maximum daily loan and bill discounting balance (including accrued interest) provided by China Telecom Finance to the CCS Group	–	1,000
Maximum daily loan and bill discounting balance (including accrued interest) provided by China Telecom Finance to New Guomai Group	–	1,500
Maximum daily loan and bill discounting balance (including accrued interest) provided by China Telecom Finance to Safety Technology Group	81	500
(3) CONTINUING CONNECTED TRANSACTIONS ENTERED INTO BETWEEN THE GROUP AND E-SURFING PAY AND ITS SUBSIDIARIES		
Payment and digital finance related services	1,068	1,450

Notes:

1. China Telecommunications refers to China Telecommunications Corporation, the Company's controlling shareholder which held approximately 63.78% of the issued share capital of the Company as at 31 December 2022.
2. The Parent Group refers to China Telecommunications Corporation, its associates and its commonly held entity held with the Group, excluding the Group, the CCS Group, New Guomai Group and Safety Technology Group.
3. The CCS Group refers to China Communications Services Corporation Limited and its subsidiaries.
4. New Guomai Group refers to New Guomai Digital Culture Co.,Ltd ("New Guomai") and its subsidiaries.
5. Safety Technology Group refers to Beijing Global Safety Technology Co., Ltd ("Safety Technology") and its subsidiaries.

SECTION VI SIGNIFICANT EVENTS

Continuing connected transactions entered into among the Group and China Telecommunications and/or its associates (excluding the Group)

On 22 October 2021, the Company and China Telecommunications have entered into the Engineering Framework Agreement, the Ancillary Telecommunications Services Framework Agreement, the Community Services Framework Agreement, the Interconnection Settlement Agreement, the Centralised Services Agreement, the Property and Land Use Right Leasing Framework Agreement, the IT Services Framework Agreement, the Supplies Procurement Services Framework Agreement, the Internet Applications Channel Services Framework Agreement, the Lease Financing Framework Agreement, the Telecommunications Resources Leasing Agreement, the Trademark License Agreement and the Intellectual Property License Framework Agreement with a term from 1 January 2022 to 31 December 2024. China Telecommunications is the controlling shareholder of the Company. Accordingly, pursuant to Chapter 14A of the Listing Rules, China Telecommunications is a connected person of the Company and the transactions contemplated under each of the agreements constitute continuing connected transactions of the Company.

As certain applicable percentage ratios (excluding the profits ratio) of the annual caps for the transactions contemplated under the Engineering Framework Agreement and the Ancillary Telecommunications Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 5%, such continuing connected transactions are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The independent shareholders of the Company considered and approved the Engineering Framework Agreement and the Ancillary Telecommunications Services Framework Agreement and the annual caps applicable thereto at the extraordinary general meeting of the Company held on 30 November 2021.

As certain applicable percentage ratios (excluding the profits ratio) of the annual caps for the transactions contemplated under the Community Services Framework Agreement, the Centralised Services Agreement, the Property and Land Use Right Leasing Framework Agreement, the IT Services Framework Agreement, the Supplies Procurement Services Framework Agreement, the Internet Applications Channel Services Framework Agreement, the Lease Financing Framework Agreement and the Telecommunications Resources Leasing Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 0.1% but is less than 5%, such continuing connected transactions are only subject to the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (excluding the profits ratio) of the annual caps for the transactions contemplated under the Interconnection Settlement Agreement, the Trademark License Agreement and the Intellectual Property License Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such continuing connected transactions are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the respective agreements are shown below:

Engineering Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Engineering Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Engineering Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Engineering Framework Agreement, China Telecommunications and/or its associates provide to the Group services such as engineering design, engineering construction and/or engineering supervision services. The charges payable for such engineering services shall be determined by reference to market rates. Market rates shall mean the rates at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Engineering Framework Agreement represents market rates, to the extent practicable, management of the Company shall take into account the rates of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business over the corresponding period for reference. According to applicable laws, the charges payable for the design or supervision of engineering projects with a value of over RMB1,000,000 or engineering construction projects with a value of over RMB4,000,000 shall be the tender award price, which is determined in accordance with the “Bidding Law of the PRC” and the “Regulations on the Implementation of the Bidding Law of the PRC” or the final confirmed price in the relevant tender process. In the circumstances there are amended rules or regulations in respect of tender scope and scale of the engineering construction projects promulgated by PRC laws and regulations during the term of agreement, both parties agreed to apply such amended rules and regulations.

In terms of the same service provided under the Engineering Framework Agreement, the Group shall have the priority to use the services provided by China Telecommunications and/or its associates, if the terms and conditions offered by an independent third party to the Group are no better than those offered by China Telecommunications and/or its associates. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. However, if China Telecommunications and/or its associates fail to meet the Group’s demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party.

Ancillary Telecommunications Services Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Ancillary Telecommunications Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Ancillary Telecommunications Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement. However, if the Group has to obtain the same type of services from a third party at a greater cost, China Telecommunications and/or its associates cannot terminate the provision of such services to the Group.

SECTION VI SIGNIFICANT EVENTS

Pursuant to the Ancillary Telecommunications Services Framework Agreement, China Telecommunications and/or its associates provide the Group with ancillary telecommunications services such as installation of telephones and residential telephone lines, repair of residential telephone lines, customer services, telecommunications terminal equipment, air conditioners and telephone booths, maintenance of fire equipment, production and consignment of sim cards and collection of telephone tariff on the Group's behalf. The charges payable for the services under the Ancillary Telecommunications Services Framework Agreement are calculated on the following basis:

- (1) market prices, which shall mean the prices at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Ancillary Telecommunications Services Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business over the corresponding period for reference;
- (2) where there is no or it is not possible to determine the market prices, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, "reasonable profit margin" is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the "reasonable profit margin" for any transaction under the Ancillary Telecommunications Services Framework Agreement, to the extent practicable,

management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference.

In terms of the same service provided under the Ancillary Telecommunications Services Framework Agreement, the Group is entitled to accord priority to China Telecommunications and/or its associates to provide such service, if the terms and conditions offered by an independent third party to the Group are no better than those offered by China Telecommunications and/or its associates. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. However, if China Telecommunications and/or its associates fail to meet the Group's demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party.

Interconnection Settlement Agreement

On 22 October 2021, the Company and China Telecommunications Corporation have entered into the Interconnection Settlement Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Interconnection Settlement Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Interconnection Settlement Agreement, both parties agree to achieve the interconnection between various types of telecommunications networks. The interconnection settlement charges will be calculated according to the “Notice Concerning the Issue of the Measures on Interconnection Settlement between Public Telecommunications Networks and Sharing of Relaying Fees” (Xin Bu Dian [2003] No. 454) promulgated by the Ministry of Information Industry of the PRC. The Ministry of Industry and Information Technology of the PRC may, from time to time, take into account the relevant regulatory rules and market conditions, amend or promulgate new rules or regulations in respect of interconnection settlement which will be announced on its official website at www.miit.gov.cn. If the Ministry of Industry and Information Technology of the PRC amends the existing, or promulgates new rules or regulations in respect of interconnection settlement, the parties shall apply such amended or new rules and regulations as acknowledged by both parties. The settlement regions include Tianjin Municipality, Hebei Province, Heilongjiang Province, Jilin Province, Liaoning Province, Shanxi Province, Henan Province, Shandong Province, Inner Mongolia Autonomous Region and Xizang Autonomous Region.

Community Services Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Community Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Community Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement. However, if the Group has to obtain the same type of services from a third party at a greater cost, China Telecommunications and/or its associates cannot terminate the provision of such services to the Group.

Pursuant to the Community Services Framework Agreement, China Telecommunications and/or its associates provide the Group with community services such as culture, education, property management, vehicle service, medical care, hotel and conference service, community and sanitary service. The community services under the Community Services Framework Agreement are provided at:

- (1) the prices and/or the fees standards under the agreement shall refer to market prices, which shall mean the prices at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Community Services Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business over the corresponding period for reference;
- (2) where there is no or it is not possible to determine the market prices, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, “reasonable profit margin” is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the “reasonable profit margin” for any transaction under the Community Services Framework Agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference.

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In terms of the same service under the Community Services Framework Agreement, the Group is entitled to accord priority to China Telecommunications and/or its associates to provide such service, if the terms and conditions offered by an independent third party to the Group are no better than those offered by China Telecommunications and/or its associates. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. However, if China Telecommunications and/or its associates fail to meet the Group's demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party.

Centralised Services Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Centralised Services Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Centralised Services Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to Centralised Services Agreement, centralised services include services provided by the Group to China Telecommunications and/or its associates in relation to key corporate customers, management and operational services such as network management and business support services, and the common use of international facilities by both parties.

In accordance with the Centralised Services Agreement, the aggregate costs incurred by the Group and China Telecommunications and/or its associates for the provision of management and operation services such as services in relation to key corporate customers, network management and business support services will be apportioned between the Group and China Telecommunications on a pro rata basis according to the revenues generated by each party. Associated costs, such as restoration maintenance costs when both parties use international facilities provided by third parties and accept services by such third parties and usage costs when both parties use the international facilities of China Telecommunications and/or its associates, shall be shared on a pro rata basis according to volume of the inbound and outbound voice calls to and from international regions, Hong Kong, Macau and Taiwan originating from each party divided by the proportion of the aggregate volume of the inbound and outbound voice calls to and from international regions, Hong Kong, Macau and Taiwan originating from both parties. When the two parties use international facilities provided by a third party and accept restoration maintenance costs, such fees shall be determined according to the actual utilisation fee of each year. The utilisation fee associated with the shared use of the international facilities provided by China Telecommunications and/or its associates shall be determined through negotiation between the two parties based on market rates. Market rates shall mean the rates at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Centralised Services Agreement represents market rates, to the extent practicable, management of the Company shall take into account the rates of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business in the corresponding period for reference.

Property and Land Use Right Leasing Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Property and Land Use Right Leasing Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Property and Land Use Right Leasing Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Property and Land Use Right Leasing Framework Agreement, the Group and China Telecommunications and/or its associates can lease properties and/or land use right (the “Leased Properties”) from the other party for conducting business activities according to the laws. The rental charges for the Leased Properties under the Property and Land Use Right Leasing Framework Agreement shall be agreed by both parties according to comparable market rates. Market rates shall mean the rental charges at which the same or similar type of the Leased Properties or adjacent Leased Properties are leased by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the rental charges for any Leased Property under the Property and Land Use Right Leasing Framework Agreement represents market rates, to the extent practicable, management of the Company shall take into account at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business in the corresponding period for reference.

IT Services Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the IT Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new IT Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the IT Services Framework Agreement, China Telecommunications and/or its associates and the Group can provide the other party with IT services, such as office automation, software testing, network upgrade, research and development on new businesses and development and upgrade of support systems. Each of the Group and China Telecommunications and/or its associates is entitled to provide services to the other party in accordance with the IT Services Framework Agreement. The charges payable for such services shall be determined by reference to market rates. Market rates shall mean the rates at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the IT Services Framework Agreement represents market rates, to the extent practicable, management of the Company shall take into account the rates of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business over the corresponding period for reference. In the circumstances where the relevant laws or regulations in the PRC specify that the prices and/or the fee standards for particular services to be provided pursuant to such agreement are to be determined by a tender process, the charges payable for such services shall be finally determined in accordance with the “Bidding Law of the PRC” and the “Regulations on the Implementation of the Bidding Law of the PRC” or the relevant tender procedures.

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In terms of the same service under the IT Services Framework Agreement, the Group is entitled to accord priority to China Telecommunications and/or its associates to provide such service, if the terms and conditions offered by an independent third party to the Group are no better than those offered by China Telecommunications and/or its associates. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. If China Telecommunications and/or its associates fail to meet the Group's demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party. Where the above tender process is applicable, the Group does not accord any priority to China Telecommunications and/or its associates to provide such services, and the tender may be awarded to an independent third party. However, if the terms of an offer from China Telecommunications and/or its associates are at least as favourable as those offered by other tenderers, the Group is entitled to award the tender to China Telecommunications and/or its associates.

Supplies Procurement Services Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Supplies Procurement Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Supplies Procurement Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Supplies Procurement Services Framework Agreement, China Telecommunications and/or its associates and the Group provide each other with supplies procurement services, including procurement services for imported telecommunications supplies, domestic telecommunications supplies and domestic non-telecommunications supplies, the sale of proprietary telecommunications equipment, resale of third-party equipment, management of tenders, verification of technical specifications, storage and transportation and installation services.

Where the procurement services are provided on an agency basis, the fees shall be paid in commission which shall be calculated at:

- (1) not more than 1% of the contract value for the procurement of imported telecommunications supplies; or
- (2) not more than 3% of the contract value for the procurement of domestic telecommunications supplies and domestic non-telecommunications supplies.

The services for the provision of supplies procurement other than on an agency basis under the Supplies Procurement Services Framework Agreement are provided at:

- (1) market prices, which shall mean the prices at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Supplies Procurement Services Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business in the corresponding period for reference;

- (2) where there is no or it is not possible to determine the market prices, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, “reasonable profit margin” is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the “reasonable profit margin” for any transaction under the Supplies Procurement Services Framework Agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference.

In terms of the same service under the Supplies Procurement Services Framework Agreement, the Group is entitled to accord priority to China Telecommunications and/or its associates to provide such service, if the terms and conditions of services offered by China Telecommunications and/or its associates are at least as favourable as those offered by an independent third party to the Group. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. If China Telecommunications and/or its associates fail to meet the Group’s demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party.

Internet Applications Channel Services Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Internet Applications Channel Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Internet Applications Channel Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Internet Applications Channel Services Framework Agreement, the Group provides Internet applications channel services to China Telecommunications and/or its associates. The channel services mainly include the provision of telecommunications channel and applications support platform, provision of billing and deduction services, coordination of sales promotion and development of customers services, etc.

The charges payable for the services under the Internet Applications Channel Services Framework Agreement are calculated on the following basis:

- (1) the prices and/or the fees standards under the agreement shall refer to market prices, which shall mean the prices at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Internet Applications Channel Services Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business in the corresponding period for reference;

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- (2) where there is no or it is not possible to determine the market prices, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, “reasonable profit margin” is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the “reasonable profit margin” for any transaction under the Internet Applications Channel Services Framework Agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference.

In terms of the same service under the Internet Applications Channel Services Framework Agreement, China Telecommunications and/or its associates is entitled to accord priority to the Group to provide such service, if the terms and conditions offered by an independent third party to China Telecommunications are no better than those offered by the Group. The Group undertake to China Telecommunications and/or its associates that the Group will not provide services to China Telecommunications and/or its associates which are less favourable than the terms offered by the Group to a third party. The Group is entitled to provide relevant services to a third party only if the services provided to China Telecommunications and/or its associates under the agreement are not affected. However, if the Group fails to meet the demand of China Telecommunications and/or its associates under the agreement or terms offered by an independent third party are more favourable than those offered by the Group, China Telecommunications and/or its associates is entitled to obtain such service from an independent third party.

Lease Financing Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Lease Financing Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Lease Financing Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Lease Financing Framework Agreement, China Telecommunications and/or its associates provides the Group with lease financing services including sale and leaseback, direct lease, etc. and the associated lease financing consulting services.

The pricing policies of the lease financing services under the Lease Financing Framework Agreement are set out below:

The fees charged by China Telecommunications and/or its associates shall comply with the relevant standards promulgated by the People’s Bank of China or China Banking and Insurance Regulatory Commission (“CBIRC”) (if applicable) with reference to the standards of fees charged by major lease financing companies in cooperation with the Group for the same type of services provided to the Group on normal commercial terms or better. Such fees shall be equal to or lower than those of other major lease financing companies in cooperation with the Group.

In terms of the same service under the Lease Financing Framework Agreement, the Group is entitled to accord priority to China Telecommunications and/or its associates to provide such service, if the terms and conditions of services offered by China Telecommunications and/or its associates are at least as favourable as those offered by an independent third party to the Group. China Telecommunications and/

or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. However, if China Telecommunications and/or its associates fail to meet the Group's demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party.

Telecommunications Resources Leasing Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Telecommunications Resources Leasing Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Telecommunications Resources Leasing Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Telecommunications Resources Leasing Agreement, the Group leases telecommunications resources including transmission network telecommunications resources, wireless network telecommunications resources, wireline access network telecommunications resources, etc. from China Telecommunications and/or its associates.

The rental charges for the leasing of telecommunications resources from China Telecommunications and/or its associates are based on the annual depreciation charges and determined with reference to market prices as agreed by both parties. When determining the fee

standard or reasonable profit margin, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference. The Group carries out maintenance of the leased telecommunications resources in accordance with the relevant procedures and standards as confirmed by both parties. Such maintenance fees shall be borne by the Group.

Trademark License Agreement

On 22 October 2021, the Company and China Telecommunications Corporation have entered into the Trademark License Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Trademark License Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Trademark License Agreement, China Telecommunications Corporation and/or its associates grants the Group the license for the use of the trademarks with trademark registration certificates as registered by China Telecommunications Corporation and/or its associates at China National Intellectual Property Administration of the State Administration for Market Supervision and the trademarks for which China Telecommunications Corporation and/or its associates is applying to China National Intellectual Property Administration of the State Administration for Market Supervision for registration and has not obtained trademark registration certificates yet. During the term of the agreement, China Telecommunications Corporation and/or its associates will not charge the Group any royalty fee for the grant of trademark license.

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Intellectual Property License Framework Agreement

On 22 October 2021, the Company and China Telecommunications Corporation have entered into the Intellectual Property License Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Intellectual Property License Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Intellectual Property License Framework Agreement, each of the Group or China Telecommunications Corporation and/or its associates is entitled to grant to the other party the license for the use of intellectual property (excluding trademarks). Royalty fee for such license shall be determined by both parties based on market prices, which shall mean the prices to be determined on normal commercial terms and by the following mechanism: the royalty fee at which the same or similar type of intellectual property licenses are provided by Independent Third Parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Intellectual Property License Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by Independent Third Parties in the ordinary course of business in the corresponding period for reference. Where there is no or it is not possible to determine the market prices according to the pricing and/or fee standards under the agreement in the course of performing the agreement, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, “reasonable profit margin” is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the “reasonable profit margin” for

any transaction under the agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with Independent Third Parties in the corresponding period or the relevant industry profit margin for reference.

Continuing connected transactions entered into between China Telecom Finance and the Group, the Parent Group, the CCS Group, New Guomai Group and Safety Technology Group respectively

On 22 October 2021, China Telecom Finance entered into the financial services framework agreement with each of the Company, China Telecommunications (together with its associates and its commonly held entity held with the Group, excluding the Group, the CCS Group, New Guomai Group and Safety Technology Group, the “Parent Group”), CCS (together with its subsidiaries, “CCS Group”), New Guomai (together with its subsidiaries, “New Guomai Group”) and Safety Technology (together with its subsidiaries, “Safety Technology Group”). As China Telecommunications is the Company’s controlling shareholder, and CCS, New Guomai and Safety Technology are subsidiaries of China Telecommunications, pursuant to Chapter 14A of the Listing Rules, China Telecommunications, CCS, New Guomai and Safety Technology and/or their associates are connected persons of the Company. As the Company holds 70% of the issued share capital of China Telecom Finance, China Telecom Finance is a subsidiary of the Company. Meanwhile, China Telecommunications and CCS each respectively holds 15% of the issued share capital of China Telecom Finance. Pursuant to Chapter 14A of the Listing Rules, China Telecom Finance is a connected subsidiary of the Company and an associate of China Telecommunications, CCS, New Guomai and Safety Technology, which is also a connected person of the Company. Accordingly, the transactions under the respective Financial Services Framework Agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

China Telecom Financial Services Framework Agreement entered into between the Company and China Telecom Finance

On 22 October 2021, the Company and China Telecom Finance entered into the financial services framework agreement (“China Telecom Financial Services Framework Agreement”). Pursuant to the agreement, China Telecom Finance agreed to provide financial services to the Group, including deposit services, loan and bill discounting services and other financial services.

As each of the applicable percentage ratios of the annual caps for the deposit services provided by China Telecom Finance to the Group under the China Telecom Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 5% but is less than 25%, such continuing connected transaction is subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapters 14A of the Listing Rules. The independent shareholders of the Company considered and approved the deposit services and the applicable annual caps under the China Telecom Financial Services Framework Agreement at the extraordinary general meeting of the Company held on 30 November 2021.

As the loan and bill discounting services provided by China Telecom Finance to the Group under the China Telecom Financial Services Framework Agreement are conducted on normal commercial terms or better and the relevant loan and bill discounting services will not be secured by the assets of the Group, such loan and bill discounting services are exempt from all reporting, announcement, annual review and independent shareholders’ approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the service fees of other financial services provided by China Telecom Finance to the Group under the China Telecom Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such other financial services are exempt from all reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Pricing Policy

(i) Deposit Services

The deposit interest rates offered by China Telecom Finance to the Group shall comply with the relevant requirements of the People’s Bank of China and be with reference to the deposit benchmark interest rates promulgated by the People’s Bank of China from time to time (if any) and the deposit interest rates of the same type of deposit services for the same period offered by the major cooperative commercial banks of the Group and are conducted on normal commercial terms or better. The deposit interest rates offered shall be equivalent to or higher than those offered by the major cooperative commercial banks of the Group. Under the same conditions, the interest rates and terms for the deposit services offered by China Telecom Finance to the Group shall be the same as those interest rates and terms of the same type of deposit services for the same period offered by China Telecom Finance to other member units.

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(ii) Loan and Bill Discounting Services

The loan interest rates and the bill discounting interest rates offered by China Telecom Finance to the Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the loan benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the interest rates of the same type of loan services and bill discounting services for the same period offered by the major cooperative commercial banks of the Group and are conducted on normal commercial terms or better. The loan interest rates and the bill discounting interest rates offered shall be equivalent to or lower than those offered by the major cooperative commercial banks of the Group. Under the same conditions, the interest rates and terms for the loan and bill discounting services offered by China Telecom Finance to the Group shall be the same as those interest rates and terms of the same type of loan services and bill discounting services for the same period offered by China Telecom Finance to other member units.

The above loan and bill discounting services provided by China Telecom Finance to the Group do not require the Group to pledge any security over its assets or make other arrangements for the loan and bill discounting services as guarantee.

(iii) Other Financial Services

China Telecom Finance provides other financial services (other than deposit, loan and bill discounting services) including financial and financing advice, credit authentication, guarantees, acceptance of bills, internal fund transfer and settlement and designs of relevant settlement and clearance arrangement proposals to the Group under the China Telecom Financial Services Framework Agreement.

The fees charged for other financial services provided by China Telecom Finance to the Group mentioned above shall comply with the fees standard promulgated by regulatory departments including the People's Bank of China or the CBIRC (if applicable), and be with reference to the handling fees standard for the same type of other financial services charged by the major cooperative commercial banks of the Group and are conducted on normal commercial terms or better. The handling fees standard shall be equivalent to or lower than those charged by the major cooperative commercial banks of the Group. Under the same conditions, the fees standard charged to the Group by China Telecom Finance shall be the same as those fees standard for the same type of other financial services charged by China Telecom Finance to other member units.

For the respective specific transactions under the China Telecom Financial Services Framework Agreement entered into between the Company and China Telecom Finance, under the same conditions, the Group should, in principle, choose the services provided by China Telecom Finance. If the Group considers it is appropriate and beneficial to the Group, the Group has the discretion to engage one or more major cooperative commercial banks of the Group as its financial services providers.

The China Telecom Financial Services Framework Agreement became effective from 1 January 2022 and will expire on 31 December 2024. Subject to the compliance of relevant laws and regulations and relevant regulatory requirements, both parties would negotiate and agree on the renewal arrangement.

China Telecommunications Corporation Financial Services Framework Agreement entered into between China Telecom Finance and China Telecommunications

On 22 October 2021, China Telecom Finance and China Telecommunications have entered into the financial services framework agreement (“China Telecommunications Corporation Financial Services Framework Agreement”). Pursuant to the agreement, China Telecom Finance agreed to provide financial services to the Parent Group, including deposit services, loan and bill discounting services and other financial services.

As the deposit services provided by China Telecom Finance to the Parent Group under the China Telecommunications Corporation Financial Services Framework Agreement are conducted on normal commercial terms or better and the relevant deposit services will not be secured by the assets of the Group, such deposit services are exempt from all reporting, announcement, annual review and independent shareholders’ approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the loan and bill discounting services provided by China Telecom Finance to the Parent Group under the China Telecommunications Corporation Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 0.1% but is less than 5%, such loan and bill discounting services are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the service fees of other financial services provided by China Telecom Finance to the Parent Group under the China Telecommunications Corporation Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such other financial services are exempt from all reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Pricing Policy

(i) Deposit Services

The deposit interest rates offered by China Telecom Finance to the Parent Group shall comply with the relevant requirements of the People’s Bank of China and be with reference to the deposit benchmark interest rates promulgated by the People’s Bank of China from time to time (if any) and the deposit interest rates of the same type of deposit services for the same period offered by the major cooperative commercial banks of the Parent Group and are conducted on normal commercial terms or better. The deposit interest rates offered shall be equivalent to or higher than those offered by the major cooperative commercial banks of the Parent Group. Under the same conditions, the interest rates and terms for the deposit services offered by China Telecom Finance to the Parent Group shall be the same as those interest rates and terms of the same type of deposit services for the same period offered by China Telecom Finance to other member units.

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(ii) Loan and Bill Discounting Services

The loan interest rates and the bill discounting interest rates offered by China Telecom Finance to the Parent Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the loan benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the interest rates of the same type of loan services and bill discounting services for the same period offered by the major cooperative commercial banks of the Parent Group and are conducted on normal commercial terms or better. The loan interest rates and the bill discounting interest rates offered shall be equivalent to or lower than those offered by the major cooperative commercial banks of the Parent Group. Under the same conditions, the interest rates and terms for the loan and bill discounting services offered by China Telecom Finance to the Parent Group shall be the same as those interest rates and terms of the same type of loan services and bill discounting services for the same period offered by China Telecom Finance to other member units.

The above loan and bill discounting services provided by China Telecom Finance to the Parent Group do not require the Parent Group to pledge any security over its assets or make other arrangements for the loan and bill discounting services as guarantee.

(iii) Other Financial Services

China Telecom Finance provides other financial services (other than deposit, loan and bill discounting services) including financial and financing advice, credit authentication, acceptance of bills, internal fund transfer and settlement and designs of relevant settlement and clearance arrangement proposals to the Parent Group under the China Telecommunications Corporation Financial Services Framework Agreement.

The fees charged for other financial services provided by China Telecom Finance to the Parent Group mentioned above shall comply with the fees standard promulgated by regulatory departments including the People's Bank of China or the CBIRC (if applicable), and be with reference to the handling fees standard for the same type of other financial services charged by the major cooperative commercial banks of the Parent Group and are conducted on normal commercial terms or better. The handling fees standard shall be equivalent to or lower than those charged by the major cooperative commercial banks of the Parent Group. Under the same conditions, the fees standard charged to the Parent Group by China Telecom Finance shall be the same as those fees standard for the same type of other financial services charged by China Telecom Finance to other member units.

For the respective specific transactions under the China Telecommunications Corporation Financial Services Framework Agreement entered into between China Telecommunications and China Telecom Finance, under the same conditions, the Parent Group should, in principle, choose the services provided by China Telecom Finance. If the Parent Group considers it is appropriate and beneficial to the Parent Group, the Parent Group has the discretion to engage one or more major cooperative commercial banks of the Parent Group as its financial services providers.

The China Telecommunications Corporation Financial Services Framework Agreement became effective from 1 January 2022 and will expire on 31 December 2024. Subject to the compliance of relevant laws and regulations and relevant regulatory requirements, both parties would negotiate and agree on the renewal arrangement.

CCS Financial Services Framework Agreement entered into between China Telecom Finance and CCS

On 22 October 2021, China Telecom Finance and CCS have entered into the financial services framework agreement (“CCS Financial Services Framework Agreement”). Pursuant to the agreement, China Telecom Finance agreed to provide financial services to the CCS Group, including deposit services, loan and bill discounting services and other financial services.

As the deposit services provided by China Telecom Finance to the CCS Group under the CCS Financial Services Framework Agreement are conducted on normal commercial terms or better and the relevant deposit services will not be secured by the assets of the Group, such deposit services are exempt from all reporting, announcement, annual review and independent shareholders’ approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for loan and bill discounting services provided by China Telecom Finance to the CCS Group under the CCS Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 0.1% but is less than 5%, such loan and bill discounting services are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the service fees of other financial services provided by China Telecom Finance to the CCS Group under the CCS Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such other financial services are exempt from all reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Pricing Policy

(i) Deposit Services

The deposit interest rates offered by China Telecom Finance to the CCS Group shall comply with the relevant requirements of the People’s Bank of China and be with reference to the deposit benchmark interest rates promulgated by the People’s Bank of China from time to time (if any) and the deposit interest rates of the same type of deposit services for the same period offered by the major cooperative commercial banks of the CCS Group and are conducted on normal commercial terms or better. The deposit interest rates offered shall be equivalent to or higher than those offered by the major cooperative commercial banks of the CCS Group. Under the same conditions, the interest rates and terms for the deposit services offered by China Telecom Finance to the CCS Group shall be the same as those interest rates and terms of the same type of deposit services for the same period offered by China Telecom Finance to other member units.

(ii) Loan and Bill Discounting Services

The loan interest rates and the bill discounting interest rates offered by China Telecom Finance to the CCS Group shall comply with the relevant requirements of the People’s Bank of China and be with reference to the loan benchmark interest rates promulgated by the People’s Bank of China from time to time (if any) and the interest rates of the same type of loan services and bill discounting services for the same period offered by the major cooperative commercial banks of the CCS Group and are conducted on normal commercial terms or better. The loan interest rates and the bill discounting interest rates offered shall be equivalent to or lower than those offered by the major cooperative commercial banks of the CCS Group. Under the same conditions, the interest rates and terms for the loan and bill discounting services offered by China Telecom Finance to the CCS Group shall be the same as those interest rates and terms of the same type of loan services and bill discounting services for the same period offered by China Telecom Finance to other member units.

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The above loan and bill discounting services provided by China Telecom Finance to the CCS Group do not require the CCS Group to pledge any security over its assets or make other arrangements for the loan and bill discounting services as guarantee.

(iii) Other Financial Services

China Telecom Finance provides other financial services (other than deposit, loan or bill discounting services) including financial and financing advice, credit authentication, acceptance of bills, internal fund transfer and settlement and designs of relevant settlement and clearance arrangement proposals to the CCS Group under the CCS Financial Services Framework Agreement.

The fees charged for other financial services provided by China Telecom Finance to the CCS Group mentioned above shall comply with the fees standard promulgated by regulatory departments including the People's Bank of China or the CBIRC (if applicable), and be with reference to the handling fees standard for the same type of other financial services charged by the major cooperative commercial banks of the CCS Group and are conducted on normal commercial terms or better. The handling fees standard shall be equivalent to or lower than those charged by the major cooperative commercial banks of the CCS Group. Under the same conditions, the fees standard charged to the CCS Group by China Telecom Finance shall be the same as those fees standard for the same type of other financial services charged by China Telecom Finance to other member units.

For the respective specific transactions under the CCS Financial Services Framework Agreement entered into between CCS and China Telecom Finance, provided that it is in compliance with the terms and conditions of the CCS Financial Services Framework Agreement, China Telecom Finance will be appointed as one of the financial institutions providing financial services to the CCS Group. Prior to the signing of any specific agreement with China

Telecom Finance in respect of respective transactions under the CCS Financial Services Framework Agreement, the CCS Group will compare the interest rates and terms or fees charged and other relevant transactions terms offered by China Telecom Finance with those interest rates and terms of the same type of deposit or loan services for the same period or fees charged and other relevant transaction terms for the same type of financial services offered by the major cooperative commercial banks of the CCS Group. Only when the interest rates and terms or fees charged or other relevant transactions terms offered by China Telecom Finance are equivalent to or better than those interest rates and terms offered or fees charged or other relevant transactions terms (e.g. transaction approval terms, procedures or time limit, etc) offered by the major cooperative commercial banks of the CCS Group, the CCS Group has the discretion to enter into the transactions with China Telecom Finance. Under the circumstances which the CCS Group considers appropriate, the CCS Group may engage additional or other financial institutions other than China Telecom Finance to provide financial services.

The CCS Financial Services Framework Agreement became effective from 1 January 2022 and will expire on 31 December 2024. Subject to the compliance of relevant laws and regulations and relevant regulatory requirements, both parties would negotiate and agree on the renewal arrangement.

New Guomai Financial Services Framework Agreement entered into between China Telecom Finance and New Guomai

On 22 October 2021, China Telecom Finance and New Guomai have entered into the financial services framework agreement ("New Guomai Financial Services Framework Agreement"). Pursuant to the agreement, China Telecom Finance agreed to provide financial services to New Guomai Group, including deposit services, loan and bill discounting services and other financial services.

As the deposit services provided by China Telecom Finance to New Guomai Group under the New Guomai Financial Services Framework Agreement are conducted on normal commercial terms or better and the relevant deposit services will not be secured by the assets of the Group, such deposit services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the loan and bill discounting services provided by China Telecom Finance to New Guomai Group under the New Guomai Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 0.1% but is less than 5%, such loan and bill discounting services are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the service fees of other financial services provided by China Telecom Finance to New Guomai Group under the New Guomai Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such other financial services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pricing Policy

(i) Deposit Services

The deposit interest rates offered by China Telecom Finance to the New Guomai Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the deposit benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the deposit interest rates of

the same type of deposit services for the same period offered by the major cooperative commercial banks of the New Guomai Group and are conducted on normal commercial terms or better. The deposit interest rates offered shall be equivalent to or higher than those offered by the major cooperative commercial banks of the New Guomai Group. Under the same conditions, the interest rates and terms for the deposit services offered by China Telecom Finance to the New Guomai Group shall be the same as those interest rates and terms of the same type of deposit services for the same period offered by China Telecom Finance to other member units.

(ii) Loan and Bill Discounting Services

The loan interest rates and the bill discounting interest rates offered by China Telecom Finance to the New Guomai Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the loan benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the interest rates of the same type of loan services and bill discounting services for the same period offered by the major cooperative commercial banks of the New Guomai Group and are conducted on normal commercial terms or better. The loan interest rates and the bill discounting interest rates offered shall be equivalent to or lower than those offered by the major cooperative commercial banks of the New Guomai Group. Under the same conditions, the interest rates and terms for the loan and bill discounting services offered by China Telecom Finance to the New Guomai Group shall be the same as those interest rates and terms of the same type of loan services and bill discounting services for the same period offered by China Telecom Finance to other member units.

The above loan and bill discounting services provided by China Telecom Finance to the New Guomai Group do not require the New Guomai Group to pledge any security over its assets or make other arrangements for the loan and bill discounting services as guarantee.

SECTION VI SIGNIFICANT EVENTS

(iii) Other Financial Services

China Telecom Finance provides other financial services (other than deposit, loan or bill discounting services) including financial and financing advice, credit authentication, acceptance of bills, internal fund transfer and settlement and designs of relevant settlement and clearance arrangement proposals to the New Guomai Group under the New Guomai Financial Services Framework Agreement.

The fees charged for other financial services provided by China Telecom Finance to the New Guomai Group mentioned above shall comply with the fees standard promulgated by regulatory departments including the People's Bank of China or the CBIRC (if applicable), and be with reference to the handling fees standard for the same type of other financial services charged by the major cooperative commercial banks of the New Guomai Group and are conducted on normal commercial terms or better. The handling fees standard shall be equivalent to or lower than those charged by the major cooperative commercial banks of the New Guomai Group. Under the same conditions, the fees standard charged to the New Guomai Group by China Telecom Finance shall be the same as those fees standard for the same type of other financial services charged by China Telecom Finance to other member units.

The New Guomai has the discretion to choose other financial institutions to provide financial services. For the respective specific transactions under the New Guomai Financial Services Framework Agreement entered into between New Guomai and China Telecom Finance and under the same conditions, the New Guomai Group shall, in principle, take the financial services provided by China Telecom Finance as priority. Under the circumstances which the New Guomai Group considers appropriate and beneficial to the New Guomai Group, the New Guomai Group may engage one or more financial institutions which are the major cooperative commercial banks of the New Guomai Group to provide financial services.

The New Guomai Financial Services Framework Agreement became effective from 1 January 2022 and will expire on 31 December 2024. Subject to the compliance of relevant laws and regulations and relevant regulatory requirements, both parties would negotiate and agree on the renewal arrangement.

Safety Technology Financial Services Framework Agreement entered into between China Telecom Finance and Safety Technology

On 22 October 2021, China Telecom Finance and Safety Technology have entered into the financial services framework agreement ("Safety Technology Financial Services Framework Agreement"). Pursuant to the agreement, China Telecom Finance agreed to provide financial services to Safety Technology Group, including deposit services, loan and bill discounting services and other financial services.

As the deposit services provided by China Telecom Finance to Safety Technology Group under the Safety Technology Financial Services Framework Agreement are conducted on normal commercial terms or better and the relevant deposit services will not be secured by the assets of the Group, such deposit services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the loan and bill discounting services provided by China Telecom Finance to Safety Technology Group under the Safety Technology Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 0.1% but is less than 5%, such loan and bill discounting services are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the service fees of other financial services provided by China Telecom Finance to Safety Technology Group under the Safety Technology Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such other financial services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pricing Policy

(i) Deposit Services

The deposit interest rates offered by China Telecom Finance to the Safety Technology Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the deposit benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the deposit interest rates of the same type of deposit services for the same period offered by the major cooperative commercial banks of the Safety Technology Group and are conducted on normal commercial terms or better. The deposit interest rates offered shall be equivalent to or higher than those offered by the major cooperative commercial banks of the Safety Technology Group. During the term of the agreement, the maximum daily balance of deposits (including accrued interest) to be deposited by Safety Technology Group with China Telecom Finance shall not exceed the maximum caps (including accrued interest) reviewed by the shareholders' meeting of Safety Technology. In the event that Safety Technology Group's deposits with China Telecom Finance exceeds the maximum caps due to settlement and other reasons, Safety Technology Group shall confirm the remittance of funds on deposits that exceed the maximum caps to the designated bank account by issuing a legally valid written notice to China Telecom Finance within three working days. China Telecom Finance shall complete the remittance of the due amount in accordance with the confirmation on such written notice by the Safety Technology Group within three working days.

(ii) Loan and Bill Discounting Services

The loan interest rates and the bill discounting interest rates offered by China Telecom Finance to the Safety Technology Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the loan benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the interest rates of the same type of loan services for the same period and bill discounting services for the same period offered by the major cooperative commercial banks of the Safety Technology Group, and are conducted on normal commercial terms or better. During the term of the agreement, the maximum daily balance of loan and bill discounting (including accrued interest) provided by China Telecom Finance to Safety Technology shall not exceed the maximum caps reviewed by the shareholders' meeting of Safety Technology. The terms for loan and bill discounting services offered by China Telecom Finance to the Safety Technology Group shall be equivalent to or better than those offered on normal commercial terms or better.

(iii) Other Financial Services

China Telecom Finance provides other financial services (other than deposit, loan and bill discounting services) including financial and financing advice, credit authentication, acceptance of bills, internal fund transfer and settlement and designs of relevant settlement and clearance arrangement proposals to the Safety Technology Group under the Safety Technology Financial Services Framework Agreement.

The fees charged for other financial services provided by China Telecom Finance to the Safety Technology Group mentioned above shall comply with the fees standard promulgated by regulatory departments including the People's Bank of China or the CBIRC (if applicable), and be with reference to the handling fees standard for the same type of other financial services charged by the major cooperative commercial banks of the Safety Technology Group and are conducted on normal commercial terms or better. The handling fees standard shall be equivalent to or lower than those charged by the major cooperative commercial banks of the Safety Technology Group.

SECTION VI SIGNIFICANT EVENTS

The Safety Technology has the discretion to choose financial services provided by other financial institutions. For the respective specific transactions under the Safety Technology Financial Services Framework Agreement entered into between Safety Technology Group and China Telecom Finance and under the same conditions, the Safety Technology Group shall, in principle, take the financial services provided by China Telecom Finance as priority. Under the circumstances which the Safety Technology Group considers appropriate and beneficial to the Safety Technology Group, the Safety Technology Group may engage one or more financial institutions which are the major cooperative commercial banks of the Safety Technology Group to provide financial services.

The Safety Technology Financial Services Framework Agreement became effective from 1 January 2022 and will expire on 31 December 2024. Subject to the compliance of relevant laws and regulations and relevant regulatory requirements, both parties would negotiate and agree on the renewal arrangement.

Continuing connected transactions entered into between the Group and E-surfing Pay and its subsidiaries

Payment and Digital Finance Related Services Framework Agreement

On 22 October 2021, the Company and E-surfing Pay have entered into the Payment and Digital Finance Related Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Payment and Digital Finance Related Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement. However, if the Group has to obtain the same type of services from a third party at a greater cost, E-surfing Pay and its subsidiaries cannot terminate the provision of such services to the Group.

Pursuant to the Payment and Digital Finance Related Services Framework Agreement, E-surfing Pay and its subsidiaries provides payment and digital finance related services to the Group. The service scope includes the recharged payment services as well as the issuance and operation and settlement services for rechargeable payment cards such as 11888 card; internet payment services and mobile phone payment services; bank card payment and barcode payment services; issuance and handling services for prepaid cards; bill payment and other integrated payment enabled services; establishment and maintenance services of the payment system of the Group's subscribers; other related payment and digital finance services within the scope of businesses permitted by or as filed with the relevant regulatory authorities; and the establishment, operation, expansion and maintenance services for fundamental capabilities and systems in fulfilment of the aforesaid services.

In term of the same service provided under the Payment and Digital Finance Related Services Framework Agreement, if the terms and conditions offered by an independent third party to the Group are no better than those offered by the E-surfing Pay and its subsidiaries, E-surfing Pay and its subsidiaries shall have the priority to provide such services to the Group under the same conditions. E-surfing Pay and its subsidiaries undertake to the Group that E-surfing Pay and its subsidiaries will not provide services to the Group which are less favourable than the terms offered by E-surfing Pay and its subsidiaries to a third party. E-surfing Pay and its subsidiaries are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. If E-surfing Pay and its subsidiaries fail to meet the Group's demand under the agreement, or if an independent third party offers more favourable terms than E-surfing Pay and its subsidiaries do, the Group may obtain such services from an independent third party.

Pursuant to Chapter 14A of the Listing Rules, as China Telecommunications is the Company's controlling shareholder, holding approximately 64.53% of the issued share capital of E-surfing Pay as of the date on which the Payment and Digital Finance Related Services Framework Agreement was entered into, China Telecommunications and E-surfing Pay are connected persons of the Company and the transactions contemplated under the Payment and Digital Finance Related Services Framework Agreement constitute continuing connected transactions of the Company.

As each of the applicable percentage ratios (except for the profit ratio) of the annual cap for each of the years ended 31 December 2022, 2023 and 2024 for the transactions contemplated under the Payment and Digital Finance Related Services Framework Agreement is expected to exceed 0.1% but is less than 5%, the continuing connected transactions of the payment and digital finance related services are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The services fees under the Payment and Digital Finance Related Services Framework Agreement shall be calculated on the following basis:

- (1) market price, which shall mean the prices at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Payment and Digital Finance Related Services Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business over the corresponding period for reference;
- (2) where there is no or it is not possible to determine the market prices, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, "reasonable profit margin" is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the "reasonable profit margin" for any transaction under the Payment and Digital Finance Related Services Framework Agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference;
- (3) where there are government-prescribed prices, the prices and/or pricing standards shall be determined in accordance with the government-prescribed prices; where there are government-guided prices, the prices and/or pricing standards shall be determined with reference to the government-guided prices. Government-prescribed prices means the prices prescribed by the government department in charge of pricing or other relevant departments within the pricing authority and scope in accordance with the Price Law of the PRC. Government-guided prices means the prices determined by the operators as guided by the government department in charge of pricing or other relevant departments which regulate the base price and floating range within the pricing authority and scope in accordance with the Price Law of the PRC.

SECTION VI SIGNIFICANT EVENTS

(2) REVIEW OF CONTINUING CONNECTED TRANSACTIONS

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the connected transactions the Company conducted in the year 2022.

The Company's external auditor was engaged to report on the Group's continuing connected transactions for the year ended 31 December 2022 in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

(3) CONFIRMATION FROM THE AUDITORS

The auditors of the Group have reviewed the continuing connected transactions of the Group for the year ended 31 December 2022 and have confirmed to the Board that nothing has come to their attention that causes them to believe that the relevant continuing connected transactions:

- (1) have not been approved by the Board;
- (2) (for transactions involving the provision of goods or services by the Group) were not entered into, in all material respects, in accordance with the pricing policies of the Group;
- (3) were not entered into, in all material respects, in accordance with the terms of the agreements governing such transactions; and
- (4) have exceeded the annual caps as set by the Company.

A copy of the auditors' letter in relation to the continuing connected transactions has been provided by the Company to the Hong Kong Stock Exchange.

(4) CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Independent Non-Executive Directors of the Company have confirmed that all continuing connected transactions for the year ended 31 December 2022 to which the Group was a party:

- (1) had been entered into, and the agreements governing those transactions were entered into, by the Group in the ordinary and usual course of business;
- (2) had been entered into either:
 - (i) on normal commercial terms or better; or
 - (ii) if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than those available to or (if applicable) from independent third parties; and
- (3) had been entered into in accordance with the relevant agreements governing those transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Independent Non-Executive Directors have further confirmed that: the continuing connected transactions for the year ended 31 December 2022 entered into between the Group and its connected persons which are subject to annual caps have not exceeded their respective annual caps.

4. MATERIAL CONTRACTS AND PERFORMANCE

(1) Guarantees

Unit: yuan Currency: Renminbi

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)	
Total amount of guarantees incurred during the Reporting Period (excluding those provided to subsidiaries)	0
Total balance of guarantees as at the end of the Reporting Period (A) (excluding those provided to subsidiaries)	0
Guarantees provided by the Company and its subsidiaries to its subsidiaries	
Total amount of guarantees provided to subsidiaries incurred during the Reporting Period	28,741,687.00
Total balance of guarantees provided to subsidiaries as at the end of the Reporting Period (B)	31,789,684.37
Aggregate guarantees of the Company (including those guarantees provided to its subsidiaries)	
Aggregate amount of guarantees (A + B)	31,789,684.37
Percentage of total aggregate amount of guarantee to net assets of the Company (%)	0.0073
Representing:	
Amount of guarantees provided for shareholders, ultimate controller and their related parties (C)	0
Amount of debt guarantees directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)	7,322,165.37
Amount of total guarantee exceeding 50% of net assets (E)	0
Aggregate amount of the above three guarantees (C + D + E)	7,322,165.37
Explanation on the potential joint and several liability for outstanding guarantees	Nil
Clarification of guarantee	During the Reporting Period, there was no additional guarantee provided by the Company. The external guarantees provided by the Company were non-financing guarantees provided by China Telecom Finance and China Telecom Global, all being subsidiaries of the Company, to wholly-owned subsidiaries of the Company. If the amount of the above-mentioned external guarantees involves foreign currency, it would be converted at the median rate for the exchange rate of RMB announced by the People's Bank of China on 30 December 2022.

SECTION VI SIGNIFICANT EVENTS

(1) Description of guarantees in 2022

The Company held the 12th meeting of the seventh session of the Board on 10 November 2021, at which the Proposal on the Plan for External Guarantee was considered and approved, pursuant to which the provision of guarantee in an aggregate amount of not exceeding RMB182.85 million by the Company's subsidiaries (hereinafter referred to the Company's wholly-owned and holding companies), including China Telecom Finance, China Telecom Global and China Telecom (Europe) Limited, a wholly-owned subsidiary of China Telecom Global, to the Company's wholly-owned subsidiaries was approved. The limits of the guarantee shall be valid from the date of consideration and approval by the Board of the Company to 31 March 2022. For details, please refer to the "Announcement of China Telecom Corporation Limited on the Plan for External Guarantee" disclosed by the Company on 10 November 2021. Within the scope of the above guarantee limits, China Telecom Finance, a subsidiary of the Company, entered into an agreement of guarantee with China Telecom Digital Intelligence Technology on 14 December 2021, pursuant to which China Telecom Finance agreed to provide guarantee to China Telecom Digital Intelligence Technology with a limit of not more than RMB100 million. In the fourth quarter of 2022, within the guarantee limits in the above agreement of guarantee China Telecom Finance did not provide guarantees to China Telecom Digital Intelligence Technology. Such agreement of guarantee expired on 13 December 2022.

According to the needs of daily production and operation, China Telecom Finance and China Telecom Global, both being subsidiaries of the Company, contemplated to provide guarantees to wholly-owned subsidiaries of the Company in 2022, in an aggregate amount of not exceeding RMB205.80 million (or equivalent foreign currency). The guarantee limit is valid until 31 March 2023. The guaranteed entities are all wholly-owned subsidiaries of the Company with asset-liability ratio not exceeding 70%. In accordance with relevant laws and regulations, China Telecom Finance and China Telecom Global have separately performed relevant internal decision-making procedures for the above guarantees.

For details, please refer to the "Announcement on the Plan for External Guarantee for 2022 of China Telecom Corporation Limited" disclosed by the Company on 30 March 2022.

(2) The progress of guarantees during the fourth quarter of 2022

Within the scope of the above guarantee limits, China Telecom Finance, a subsidiary of the Company, entered into an agreement of guarantee with China Telecom Digital Intelligence Technology on 29 December 2022, pursuant to which China Telecom Finance agreed to provide guarantee to China Telecom Digital Intelligence Technology with a limit of not more than RMB150 million.

During the fourth quarter of 2022, China Telecom Finance and China Telecom Global did not provide guarantees.

(3) The progress of guarantees during the first to the third quarters of 2022

For details of guarantee progress in 2022, please refer to the "Announcement on the Progress of Guarantees Provided by Subsidiaries to Wholly-Owned Subsidiaries of China Telecom Corporation Limited", the 2022 Interim Report of China Telecom Corporation Limited and the 2022 Third Quarter Report of China Telecom Corporation Limited published on 22 April 2022, 16 August 2022 and 20 October 2022, respectively.

(4) The cumulative amount of guarantees and the amount of overdue guarantees

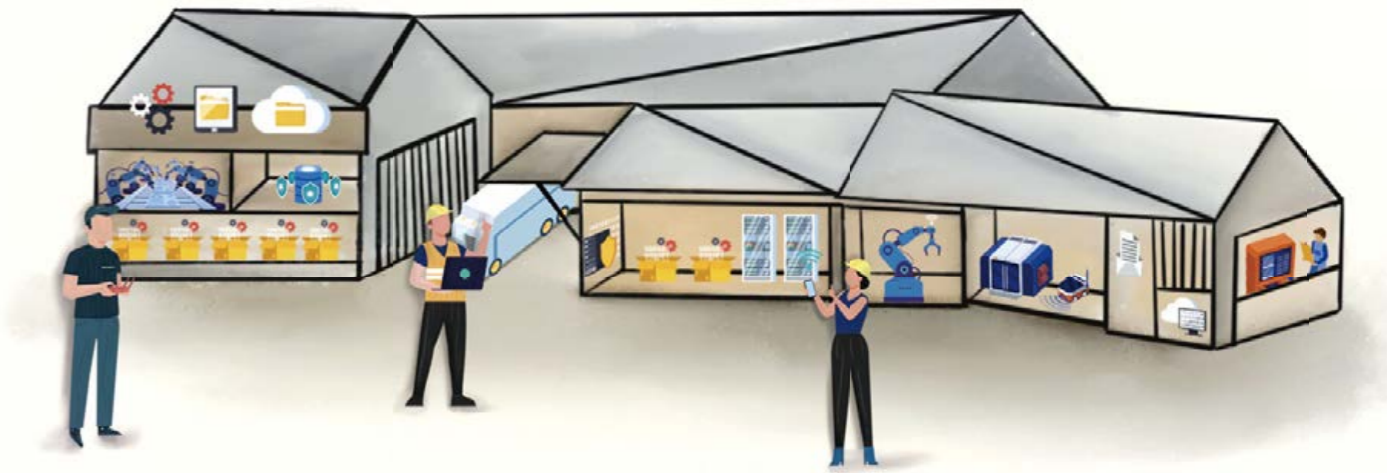
As at the end of the Reporting Period, the balance of external guarantees provided by the Company and its subsidiaries was RMB31.7897 million, accounting for 0.0073% of the Company's latest audited net assets (as of 31 December 2022), all of which were guarantees provided by subsidiaries of the Company to other wholly-owned subsidiaries of the Company. The Company did not provide guarantees to its subsidiaries or third parties, and there was no overdue guarantee.

Any amount of the above-mentioned external guarantees involving foreign currency is converted at the median rate of the exchange rate of RMB announced by the People's Bank of China on 30 December 2022.

5. OTHER SIGNIFICANT EVENTS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS IN MAKING VALUE JUDGMENTS AND INVESTMENT DECISIONS

1. On 21 September 2021, the Company published the “Announcement on the Plan to Increase Shareholding by the Controlling Shareholder of China Telecom Corporation Limited”, pursuant to which, China Telecommunications proposed to increase its shareholding in the Company by an amount of not less than RMB4 billion, as and when appropriate, during the twelve-month period from 22 September 2021. There is no price range for the increase in shareholding. In view of the fair judgement on the Company’s share price, China Telecommunications would gradually implement the plan on shareholding increase taking into account of the fluctuations in the Company’s share price and the overall trend of the capital market. The shareholding increase plan is a voluntary shareholding increase plan of China Telecommunications and is implemented separately from the plan for share price stabilisation within three years after the A Share listing of the Company. On 18 September 2022, the Company published the “Announcement on the Implementation Results of the Plan to Increase Shareholding by the Controlling Shareholder of China Telecom Corporation Limited”. As of 16 September 2022, the implementation of the plan to increase shareholding has been completed. From 22 September 2021 to 16 September 2022, China Telecommunications increased its shareholding in the Company by 985,150,057 A Shares in aggregate through the trading system of the SSE by way of block trading. The cumulative amount of the shareholding increase was RMB4,000,151,129.32, which has reached the lower limit of the amount of the shareholding increase plan. The implementation of the above plan to increase shareholding has been completed.
2. On 27 January 2022, the Company published the “Announcement on Measures of the Share Price Stabilisation of China Telecom Corporation Limited”. According to the “Proposal regarding the Price Stabilisation Plan of A Shares within Three Years Following the Initial Public Offering and Listing of RMB ordinary shares (A Shares) of China Telecom Corporation Limited”, China Telecommunications, the controlling shareholder of the Company, intended to take measures to stabilise share price by increasing its A Shares holding of the Company. China Telecommunications proposed to increase its holding in A Shares of the Company by the amount of not less than RMB500 million, as and when appropriate, during the twelve-month period from 28 January 2022. There is no price range for the shareholding increase. The source of funding for the increase will be self-owned capital fund. In view of the fair judgement on the Company’s share price, China Telecommunications would gradually implement the plan on shareholding increase taking into account of the fluctuations in the Company’s share price and the overall trend of the capital market. On 19 January 2023, the Company published the “Announcement on Completion of Implementation of the Share Price Stabilisation Measures of China Telecom Corporation Limited”. As of 18 January 2023, the implementation of the share price stabilisation measures has been completed. From 28 January 2022 to 18 January 2023, China Telecommunications increased its shareholding in the Company by 114,315,800 A Shares in aggregate through the trading system of the SSE by way of block trading. The cumulative amount of the shareholding increase was RMB500,634,553.94, which has reached the lower limit of the amount of the shareholding increase plan. The implementation of the above share price stabilisation measures has been completed. As of 18 January 2023, China Telecommunications held 58,476,519,174 A Shares of the Company, representing 63.90% of the total issued shares of the Company.

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SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

1. CHANGES IN SHARE CAPITAL

(1) Table of changes in shares

1. Table of changes in shares

Unit: shares

	Before the change		Changes (+, -)				After the change		
	Quantity	Percentage (%)	Issue of new shares	Bonus issue	Transferred from reserves	Others	Subtotal	Quantity	Percentage (%)
(1) Shares with lock-up restrictions	73,224,400,408	80.02				-15,185,097,091	-15,185,097,091	58,039,303,317	63.42
1. State-owned shares									
2. Shares held by state-owned legal persons	70,017,326,112	76.52				-12,529,897,795	-12,529,897,795	57,487,428,317	62.82
3. Shares held by other domestic shareholders	3,206,896,963	3.50				-2,655,021,963	-2,655,021,963	551,875,000	0.60
Of which: Shares held by domestic non-state-owned legal persons	3,196,714,289	3.49				-2,644,839,289	-2,644,839,289	551,875,000	0.60
Shares held by domestic natural persons	10,182,674	0.01				-10,182,674	-10,182,674	0	
4. Shares held by foreign shareholders	177,333	0.0002				-177,333	-177,333	0	
Of which: Shares held by overseas legal persons	177,333	0.0002				-177,333	-177,333	0	
Shares held by overseas natural persons									
(2) Shares without lock-up restrictions	18,282,738,291	19.98				15,185,097,091	15,185,097,091	33,467,835,382	36.58
1. RMB ordinary shares	4,406,328,291	4.81				15,185,097,091	15,185,097,091	19,590,425,382	21.41
2. Domestic-Listed Foreign-Invested Shares									
3. Overseas-Listed Foreign-Invested Shares	13,877,410,000	15.17						13,877,410,000	15.17
4. Others									
(3) Total number of shares	91,507,138,699	100						91,507,138,699	100

2. Explanation on changes in shares

On 15 February 2022, the Company published the “Announcement on the Release for Trading of Offline Allotted Shares of the Initial Public Offering of China Telecom Corporation Limited”, pursuant to which 986,228,087 lock-up shares allotted offline during the initial public offering of the Company were released for trading as the lock-up period expired on 21 February 2022 (as 20 February 2022 was a non-trading day, the date of release for trading was postponed to 21 February 2022).

On 16 August 2022, the Company published the “Announcement on the Release for Trading of Partial Lock-up Shares of the Initial Public Offering of China Telecom Corporation Limited”, pursuant to which 14,198,869,004 lock-up shares allotted during the initial public offering of the Company were released for trading as the lock-up period expired on 22 August 2022 (as 20 August 2022 was a non-trading day, the date of release for trading was postponed to 22 August 2022).

SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

(2) Changes in shares with lock-up restrictions

Unit: shares

Name of shareholder	Number of lock-up shares at the beginning of the period	Number of shares released during the Reporting Period	Increase in lock-up shares during the Reporting Period	Number of lock-up shares at the end of the Reporting Period	Reason for lock-up restrictions	Date of unlocking
China Telecommunications Corporation	57,377,053,317	0	0	57,377,053,317	Initial public offering	2024-08-20
Guangdong Rising Holdings Group Co., Ltd.	5,614,082,653	5,614,082,653	0	0	Initial public offering	2022-08-22
Zhejiang Provincial Financial Development Co., Ltd.	2,137,473,626	2,137,473,626	0	0	Initial public offering	2022-08-22
Fujian Investment & Development Group Co., Ltd.	969,317,182	969,317,182	0	0	Initial public offering	2022-08-22
Jiangsu Guoxin Group Limited	957,031,543	957,031,543	0	0	Initial public offering	2022-08-22
Strategic allotment	662,250,000	0	0	662,250,000	Lock-up for strategic allotment of the initial public offering	2024-08-20
Strategic allotment	4,520,964,000	4,520,964,000	0	0	Lock-up for strategic allotment of the initial public offering	2022-08-22
Offline allotment with restrictions	986,228,087	986,228,087	0	0	Lock-up for offline allotment of the initial public offering	2022-02-21
Total	73,224,400,408	15,185,097,091	0	58,039,303,317	/	/

2. INFORMATION ON SHAREHOLDERS AND ULTIMATE CONTROLLER

(1) Total number of shareholders

Total number of ordinary shareholders as at the end of the Reporting Period	457,299
Total number of ordinary shareholders as at the end of February 2023	386,557

(2) Shareholdings of the top ten shareholders and the top ten shareholders of tradable shares (or shareholders of unrestricted shares) as at the end of the Reporting Period

Unit: shares

Name of shareholder (Full name)	Shareholdings of the top ten shareholders			Number of shares held with lock-up restrictions	Pledge, marking or freezing conditions		Nature of shareholder
	Changes during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)		Status of shares	Quantity	
China Telecommunications Corporation	527,891,013	58,364,586,774	63.78	57,377,053,317	Nil	-	State-owned legal person
HKSCC Nominees Limited	-1,311,285	13,846,825,338	15.13	0	Unknown	-	Foreign legal person
Guangdong Rising Holdings Group Co., Ltd.	0	5,614,082,653	6.14	0	Nil	-	State-owned legal person
Zhejiang Provincial Financial Development Co., Ltd.	0	2,137,473,626	2.34	0	Nil	-	State-owned legal person
Fujian Investment & Development Group Co., Ltd.	-1,023,000	968,294,182	1.06	0	Nil	-	State-owned legal person
Jiangsu Guoxin Group Limited	0	957,031,543	1.05	0	Nil	-	State-owned legal person
Chengdu Vanguard Capital Management Limited – Chengdu Major Industrialisation Project Phase I Equity Investment Fund Limited	0	662,251,000	0.72	0	Nil	-	Unknown
China State-owned Enterprises Structural Adjustment Fund Co., Ltd	0	551,876,000	0.60	0	Nil	-	State-owned legal person
State Grid Yingda International Holdings Group Co., Ltd.	0	441,501,000	0.48	0	Nil	-	State-owned legal person
Suzhou High Speed Rail New Town Economic Development Co., Ltd	-388,861,598	273,389,402	0.30	0	Nil	-	Unknown

SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

Shareholdings of the top ten shareholders without lock-up restriction

Name of shareholder	Number of tradable	Class and number of shares	
	shares held without lock-up restriction	Class	Quantity
HKSCC Nominees Limited	13,846,825,338	Overseas-listed foreign-invested shares	13,846,825,338
Guangdong Rising Holdings Group Co., Ltd.	5,614,082,653	RMB ordinary shares	5,614,082,653
Zhejiang Provincial Financial Development Co., Ltd.	2,137,473,626	RMB ordinary shares	2,137,473,626
China Telecommunications Corporation	987,533,457	RMB ordinary shares	987,533,457
Fujian Investment & Development Group Co., Ltd.	968,294,182	RMB ordinary shares	968,294,182
Jiangsu Guoxin Group Limited	957,031,543	RMB ordinary shares	957,031,543
Chengdu Vanguard Capital Management Limited – Chengdu Major Industrialisation Project Phase I Equity Investment Fund Limited	662,251,000	RMB ordinary shares	662,251,000
China State-owned Enterprises Structural Adjustment Fund Co., Ltd	551,876,000	RMB ordinary shares	551,876,000
State Grid Yingda International Holdings Group Co., Ltd.	441,501,000	RMB ordinary shares	441,501,000
Suzhou High Speed Rail New Town Economic Development Co., Ltd	273,389,402	RMB ordinary shares	273,389,402
Explanation on the securities account designated for share repurchase of the top ten shareholders		N/A	
Explanation on the voting rights entrusted by or waived by the above shareholders		N/A	
Description of connected relationship or acting in concert among the aforementioned shareholders		The Company is not aware of any connected relationship among the aforementioned shareholders or whether they act in concert.	
Description of the holders of preference shares with restored voting rights and their shareholding		N/A	

SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

Unit: shares

Shareholdings of the top ten shareholders with lock-up restrictions

No.	Name of shareholders with lock-up restrictions	Number of shares held with lock-up restrictions	Listing and trading of shares with lock-up restrictions		
			Date of listing and trading	Number of new shares available for listing and trading	Lock-up restrictions
1	China Telecommunications Corporation	57,377,053,317	2024-08-20	0	Lock-up for 36 months from the date of listing
2	Huawei Technologies Co., Ltd	220,750,000	2024-08-20	0	Lock-up for 36 months from the date of listing
3	Oriental Pearl Group Co., Ltd.	110,375,000	2024-08-20	0	Lock-up for 36 months from the date of listing
4	Sangfor Technologies Inc.	110,375,000	2024-08-20	0	Lock-up for 36 months from the date of listing
5	Shanghai Bilibili Technology Co., Ltd.	110,375,000	2024-08-20	0	Lock-up for 36 months from the date of listing
6	DBAPP Security Co., Ltd.	110,375,000	2024-08-20	0	Lock-up for 36 months from the date of listing
Description of connected relationship or acting in concert among the aforementioned shareholders			The Company is not aware of any connected relationship among the aforementioned shareholders or whether they act in concert.		

(3) Strategic investors or other legal persons who became top ten shareholders due to allotment of new shares

Names of strategic investors or other legal persons	Agreed shareholding start date	Agreed shareholding end date
Suzhou High Speed Rail New Town Economic Development Co., Ltd	20 August 2021	–
Chengdu Vanguard Capital Management Limited – Chengdu Major Industrialisation Project Phase I Equity Investment Fund Limited	20 August 2021	–
China State-owned Enterprises Structural Adjustment Fund Co., Ltd	20 August 2021	–
State Grid Yingda International Holdings Group Co., Ltd.	20 August 2021	–
Description of agreed term of shareholding in respect of strategic investors and general legal persons' participation in placing of new shares	Lock-up for 12 months from the date of listing, and the lock-up was released during the Reporting Period	

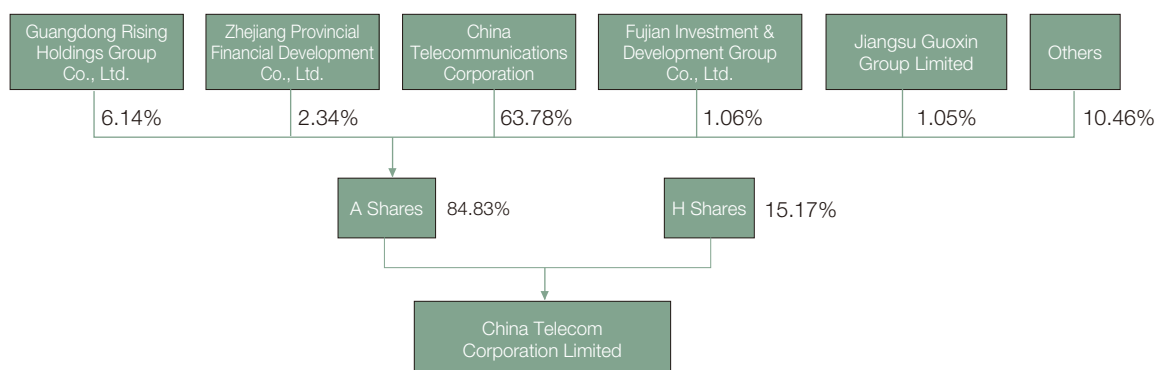
3. INFORMATION ON CONTROLLING SHAREHOLDER AND ULTIMATE CONTROLLER

(1) Information on controlling shareholder

1. Legal person

Name	China Telecommunications Corporation
Person in charge or legal representative	Ke Ruiwen
Date of incorporation	27 April 1995
Principal business	Basic telecommunications services (see license for specific business scope); value-added telecommunications services (see license for specific business scope); chain operation of national internet service premises; operating its group companies and all state-owned assets and state-owned equity interests formed by state investment in the invested enterprises; contracting overseas telecommunications projects and domestic international bidding projects; operation of system integration, technology development, technical services, design and construction, equipment production and sales, advertising and information consultation related to communication and information business; import and export business; hosting exhibitions. (Market entities shall independently select business projects and carry out business activities in accordance with the law; for projects subject to approval in accordance with the law, business activities shall be carried out in accordance with the approved scope after approval by relevant authorities; business activities prohibited and restricted by the industrial policies of the State and the city shall not be carried out.)
Shareholdings in other domestic and overseas listed companies controlled or invested during the Reporting Period	China Telecommunications directly holds 51.16% equity interest in New Guomai Digital Culture Co., Ltd. and indirectly holds 18.23% equity interest in New Guomai Digital Culture Co., Ltd. through China Telecom Group Sideline Industrial Asset Management Co., Ltd and China Telecom Corporation Limited; It also directly holds 48.99% equity interest in CCS, directly holds 22.50% equity interest in China Broadcasting and Television Guangzhou Network Co., Ltd., and directly holds shares in Postal Savings Bank of China Co., Ltd., Western Securities Co., Ltd., Southwest Securities Co., Ltd., People.cn Co., Ltd., Xinhuanet Co., Ltd., China Publishing & Media Corporation Limited, Jiangsu Expressway Company Limited and Fiberhome Telecommunication Technologies Co., Ltd..
Other information	N/A

2. Ownership and controlling relationship between the Company and the controlling shareholder



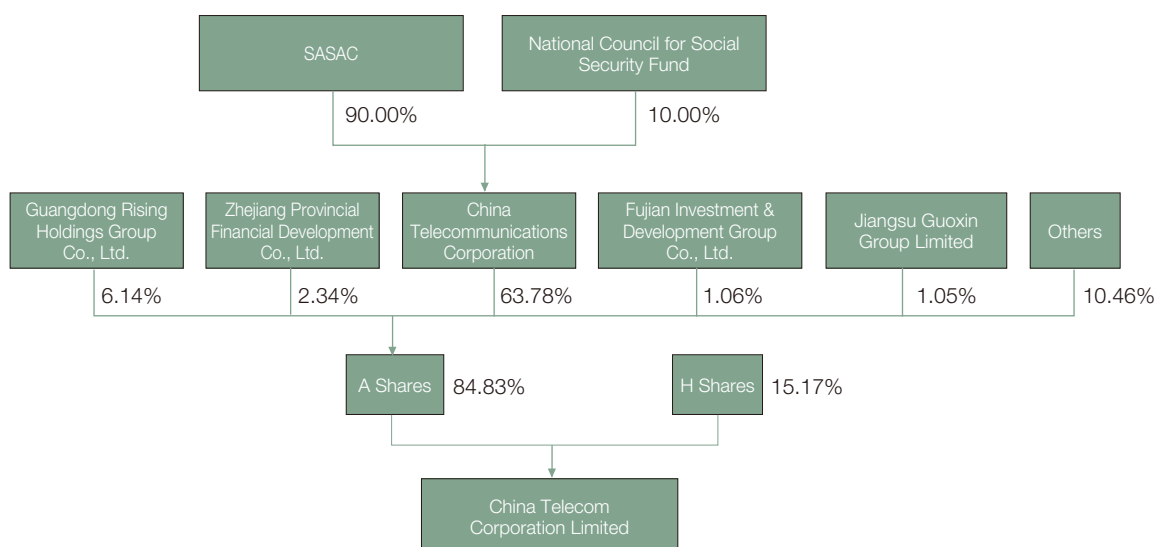
Note: Data as at 31 December 2022.

(2) Ultimate controller

1. Legal person

Name	State-owned Assets Supervision and Administration Commission of the State Council ("SASAC")
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2. Ownership and controlling relationship between the Company and the ultimate controller



Note: Data as at 31 December 2022.

4. MATTERS REGARDING THE RESTRICTION OF REDUCING SHARES

(1) Restrictions on the circulation of shares and undertakings by shareholders to voluntarily lock-up their shares

The Company's controlling shareholder, China Telecommunications, undertakes that:

Within 36 months from the date on which the A Shares of the Company are listed and traded on the SSE, it shall not transfer or entrust others to manage the shares held by China Telecommunications prior to the initial public offering of A Shares of the Company, nor shall the Company repurchase such shares. China Telecommunications undertakes to strictly comply with the Company Law, the Securities Law, the SSE Listing Rules and other laws and regulations, policy requirements and the relevant requirements of the CSRC for prudent supervision, and to determine the lock-up period by adopting a longer applicable period; In the event of future changes in the above laws and regulations and policies, China Telecommunications undertakes to determine the lock-up period in strict accordance with the requirements after the changes. If the shares held by China Telecommunications are reduced within two years after the expiration of the above-mentioned shareholding period, the price of such reduction shall not be lower than the issue price of the Company's initial public offering of A Shares; if the closing price of the Company's shares is lower than the issue price for 20 consecutive trading

days within 6 months after the listing of the Company, or the closing price at the end of 6 months after the listing of the Company (if such date is not a trading day, the first trading day thereafter) is lower than the issue price, the shareholding period of China Telecommunications shall be automatically extended for at least 6 months.

Each of Guangdong Rising, Zhejiang Financial Development, Fujian Investment Group and Jiangsu Guoxin, being the shareholders of the Company, undertakes that:

Within 12 months from the date on which the A Shares of the Company are listed and traded on a stock exchange, it shall not transfer or entrust others to manage the shares it held before the initial public offering of A Shares of the Company, nor shall the Company repurchase such shares; The lock-up period will be determined in strict compliance with the Company Law, the Securities Law, the SSE Listing Rules and other laws, regulations and policies as well as the relevant requirements of the CSRC for prudent supervision, and to determine the lock-up period by adopting a longer applicable period; In the event of future changes in the above laws and regulations and policies, the lock-up period will be determined in strict accordance with the requirements after the changes; In the event of failure to perform the above undertakings, it shall take the relevant liabilities in accordance with the relevant laws and regulations, regulatory documents and the provisions of the stock exchange's business rules and the requirements of the regulatory authorities.

(2) Undertaking on the intention of shareholding and the intention of shareholding reduction by shareholders holding more than 5% of the shares before the initial public offering of A shares

Each of China Telecommunications, being the controlling shareholder of the Company, and Guangdong Rising, the shareholder holding more than 5% of the shares of the Company, undertakes that:

1. After the initial public offering and listing of A Shares of the Company, it will strictly comply with its undertakings on the lock-up period of its shares. After the expiration of the committed lock-up period, in compliance with the relevant laws and regulations, regulatory documents and the business rules of the stock exchange, it will determine whether to reduce its shareholding in the Company based on factors such as the overall conditions of the securities market, the Company's operating results and stock trends, and its business development needs.
2. After the initial public offering and listing of A Shares of the Company and the expiration of the committed lock-up period, if it decides to reduce its shareholding in the Company, it will be processed through the block trading system of the stock exchange, the centralised bidding trading system or by agreement as permitted by laws and regulations.
3. If it intends to reduce its shareholding, it shall notify the Company in writing in advance on the information such as the number of shares to be reduced and the reasons for such reduction, and the Company shall perform the information disclosure obligations in accordance with the relevant laws and regulations and regulatory rules. It may implement the reduction after three trading days from the date on which the Company discloses its intention to reduce its shareholding.
4. Reduction of shareholding in the Company will be implemented in accordance with the requirements of laws, administrative regulations, *the Several Provisions on Reduction of Shareholding by Shareholders, Directors, Supervisors and Senior Management of Listed Companies* and *the Implementation Rules for Reduction of Shareholding by Shareholders, Directors, Supervisors and Senior Management of Listed Companies of the Shanghai Stock Exchange*. If there are changes in the relevant laws and regulations, regulatory documents and the business rules of the stock exchange, the then effective provisions shall prevail.
5. Reduction of shares of the Company acquired through the secondary market after the initial public offering and listing of A Shares of the Company shall not be subject to the above undertakings.

In the event of failure to perform the above undertakings, it shall take the relevant liabilities in accordance with the relevant laws and regulations, regulatory documents, business rules of stock exchanges and requirements of regulatory authorities.

SECTION VIII RELEVANT INFORMATION ON BONDS

CORPORATE BONDS, COMPANY BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

Company bonds

1. Basic information of company bonds

Unit: Yuan Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Balance of bonds	Interest rate (%)	Repayment method	Trading venues	Suitability arrangement for investors (if any)	Trading mechanism	Whether there is risk of termination of listing and trading
2020 company bonds (first tranche) publicly issued by China Telecom Corporation Limited	20 Telecom 01	163253	2020-03-09 (first issue date)	2020-03-10	2023-03-10	2,000,000,000	2.90	The interest of the bond is calculated annually without compound interest. Interest shall be paid once a year, and the principal shall be repaid in a lump sum upon maturity, and the last interest shall be paid together with the principal.	SSE	Debt securities traded to qualified investors	Bidding trading system and comprehensive electronic trading platform for fixed income securities	No

Interest payment of bonds during the Reporting Period

Name of bond	Description of interest payment
2020 company bonds (first tranche) publicly issued by China Telecom Corporation Limited	Interest has been paid on time and in full.

2. Intermediaries providing services for bond issuance and duration business

Name of intermediary	Office Address	Name of signing accountants	Contact person	Telephone
CITIC Securities Company Limited	CITIC Securities Tower, No.48 Liangmaqiao Road, Chaoyang District, Beijing, PRC	Nil	Zhu Ge, Dong Yuanpeng, Yang Quan	010-60833504
China Securities Depository and Clearing Corporation Limited Shanghai Branch	No.188 South Yanggao Road, Pudong New Area, Shanghai, PRC	Nil	Xu Ying	021-38874880

3. Use of proceeds at the end of the Reporting Period

Unit: Yuan Currency: RMB

Name of bond	Total amount of proceeds	Amount utilised	Unutilised amount	Operation of special account for proceeds (if any)	Rectification of non-compliant use of proceeds (if any)	Whether it is consistent with the intended use, use plan and other agreements in the bond prospectus
2020 company bonds (first tranche) publicly issued by China Telecom Corporation Limited	2,000,000,000	2,000,000,000	0	Since the issuance of the company bonds, the special account for the use of proceeds has been set up by the custodian bank and has been in normal operation. The Company has arranged the use of proceeds in strict accordance with the investment direction and investment amount committed in the bond prospectus, and the proceeds have been used for specific purposes. The custodian bank is responsible for supervising the Company's use of proceeds strictly in accordance with the specified use of proceeds.	Nil	Yes

CLOUDIFICATION AND DIGITAL TRANSFORMATION TO EMPOWER DIGITAL ECONOMY

