

# SECTION IV CORPORATE GOVERNANCE REPORT

## 1. AN OVERVIEW OF CORPORATE GOVERNANCE

The Company strives to maintain high level of corporate governance and has adhered to excellent, prudent and efficient corporate governance principles and continuously improves its corporate governance methodology, regulates its operations, improves its internal control mechanism, implements sound corporate governance and disclosure measures, and ensures that the Company's operations are in line with the long-term interests of the Company and its shareholders as a whole. In 2022, the shareholders' meeting, the Board and the Supervisory Committee operated soundly and efficiently. The Company was dedicated to lean management while ensuring stable and healthy operation, and elevated its high-quality development to a new level, while continuously optimising its internal control system and comprehensive risk management in order to effectively ensure steady operation of the Company. The standard of the Company's corporate governance continued to improve and effectively protected the best long-term interests of shareholders.

The Company persists in refining the basic system of its corporate governance and continues to optimise the corporate governance system and operating mechanism to ensure standardised operation in strict compliance with the Company Law, the Securities Law and the requirements of the CSRC, the SSE and the Stock Exchange on corporate governance. In 2022, in accordance with the latest regulatory requirements from the CSRC and the SSE on corporate governance and standardised operation, and taking into account the actual situation of the Company, the Company revised the relevant provisions of 12 sets of rules such as *the Rules of Procedures of Audit Committee of China Telecom Corporation Limited*, *the Administrative Measures for Shareholding and Change in Shareholding by Directors, Supervisors and Senior Management of China Telecom Corporation Limited*, *the Rules for the*

*Management of Information Disclosure of China Telecom Corporation Limited*, *the Administrative Measures for Investor Relations of China Telecom Corporation Limited*, *the Management System for Registration of Insiders of China Telecom Corporation Limited* and *the Administrative Measures for Proceeds of China Telecom Corporation Limited*, and formulated *the Management System of Board Authorisation of China Telecom Corporation Limited* to continuously improve the level of corporate governance. At the same time, the Company attaches great importance to the construction and improvement of risk management and internal control systems, which mainly include clear organisational structure and management responsibilities, effective authorisation approval and accountability system, clear objectives, policies and procedures, comprehensive risk assessment and management, sound financial accounting system, continuous operation performance analysis and supervision, etc., which play an important role in ensuring the overall operation of the Company.

A two-tier structure is adopted as the overall structure for corporate governance: the Board and the Supervisory Committee are established under the shareholders' meeting, while the Audit Committee, Remuneration Committee and Nomination Committee are established under the Board. The Board is authorised by the Articles of Association of the Company to make major operational decisions of the Company and to oversee the daily management and operations of the senior management. The Supervisory Committee is mainly responsible for the supervision of the performance of duties of the Board and the senior management. Each of the Board and the Supervisory Committee is independently accountable to the shareholders' meeting. In 2022, the Company convened a total of 2 general meetings, 11 Board meetings and 6 Supervisory Committee meetings. The convening, holding, voting and disclosure procedures of the relevant meetings were in compliance with the requirements of laws and regulations and the Articles of Association.

For the year ended 31 December 2022, the roles of Chairman and Chief Executive Officer of the Company were performed by the same individual. In the Company's opinion, through the supervision by the Board and the Independent Non-Executive Directors of the Company, with effective control of the Company's internal check and balance mechanism, the same individual performing the roles of Chairman and Chief Executive Officer can enhance the Company's efficiency in decision-making and execution and enable the Company to effectively capture business opportunities. Many leading international corporations around the world also have similar arrangements. Save as stated above, the Company was in compliance with all the code provisions under the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the "Corporate Governance Code") in the year 2022.

The Company has always attached great importance to information disclosure, strictly complied with the requirements of the relevant regulatory rules of the places where the Company's shares are listed, and stringently implemented *the Rules for the Management of Information Disclosure of China Telecom Corporation Limited* to standardise the procedures for the Company to collect, organise, summarise and report important information internally and prepare external disclosure documents, clarify the responsibilities and code of conduct of relevant departments and branches, and ensure the truthfulness, accuracy, completeness and timeliness of the Company's information disclosure. In addition, the Company actively discloses data such as the numbers of mobile subscribers, 5G package subscribers and wireline broadband users, etc. on a monthly basis to strengthen communication with the capital market and improve the transparency of information disclosure. Meanwhile, the Company attaches great importance to the handling of inside information and standardised management of inside

information through the *Registration and Management System for Insiders of China Telecom Corporation Limited*, ensure the fairness and justice of information disclosure, and protect the legitimate rights and interests of investors and relevant parties.

The Company established an Investor Relations Department which is responsible for providing shareholders and investors with the necessary information, data and services in a timely manner. It also maintains proactive communications with shareholders, investors and other capital market participants. The Company's senior management presents the annual results and interim results every year. Through various activities such as analyst meetings, press conferences, global investor telephone conferences and investors road shows, the senior management provides the capital market and media with important information and responds to key questions which are of prime concerns to the investors. This has helped reinforce their understanding of the Company's business and the overall development of the industry. In 2022, the Company conducted the annual, interim and third quarter results announcement briefings effectively through online means for the first time and proactively innovated the communication modes including the introduction of innovative elements such as virtual data-based intelligence host "Xiao Yi" in the interim results announcement briefing for the first time to demonstrate the achievements of the Company's digital transformation. In daily operation, the Company participated in a number of investor conferences held by major international investment banks and domestic securities firms worldwide through on-site and online integrated means to promote communication with institutional investors. At the same time, the Company set up a dedicated investor relations enquiry line to facilitate communications between investors and the Company and better serve shareholders and investors.

In 2022, the Company's continuous efforts in corporate governance gained wide recognition from the capital market and the Company was accredited with a number of awards. The Company was voted as the "Most Honoured Company in Asia" in the 2022 "All-Asia-Executive-Team" poll organised by Institutional Investor, a prestigious international financial magazine, for twelve consecutive years. The Company also received "Best Overall ESG", "Best Investor Relations" and other honours. In addition, the Company was awarded "Asia's Best CSR", "Best Corporate Communications", "Best Environmental Responsibility" and "Best Investor Relations Company" in "Asian Excellence Award 2022" organised by Corporate Governance Asia, a renowned Asia's journal on corporate governance. The Company was voted as the "Most Outstanding Company in China – Telecommunication Services Sector" in Asiamoney's "Asia's Outstanding Companies Poll 2022". The Company was further awarded with the "Overall Most Outstanding Company in China" among all winners from different sectors in China, and was accredited with the "Most Outstanding IPO in China". In addition, the Company was awarded "Best Practice of Office of Board of Directors for Public Companies in 2022" as well as "Best Practice Award of 2021 Annual Results Briefing for Public Companies" by China Association for Public Companies.

### **2. SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDER AND THE ULTIMATE CONTROLLER OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, ORGANISATION AND BUSINESS, AS WELL AS SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS ADOPTED IN LIGHT OF THE IMPACT ON THE INDEPENDENCE OF THE COMPANY**

The Company is independent from its controlling shareholder in terms of business, assets and finance, etc. The controlling shareholder of the Company undertakes not to act beyond their authority to interfere with the operation and management activities of the Company and not to misappropriate the interests of the Company. The controlling shareholder of the Company exercise its rights as a shareholder through the general meeting in accordance with the law, and have not acted beyond the authority of the general meeting of the Company, directly or indirectly interfered with the Company's business decisions and operating activities. The Company has independent and complete business and self-operation capabilities. During the Reporting Period, the Company was not aware of any act of controlling shareholder by taking advantage of its special status to encroach on or damage the interests of the Company and other shareholders.

### 3. GENERAL MEETINGS

Session	Date	Designated websites for publishing resolutions	Resolutions of the Meeting
The First Extraordinary General Meeting in 2022	2022-03-22	www.hkexnews.hk www.chinatelecom-h.com	<ol style="list-style-type: none"> <li>1. THAT the election of Mr. Tang Ke as a Director of the Company be and is hereby considered and approved, and shall take effect from the date of passing this resolution until the Annual General Meeting of the Company for the year 2022 to be held in year 2023; THAT any Director of the Company be and is hereby authorised to sign on behalf of the Company the Director's service contract with Mr. Tang Ke; and THAT the Board be and is hereby authorised to determine his remuneration;</li> <li>2. THAT the purchase of liabilities insurance for the Company and its Directors, Supervisors and senior management be considered and approved;</li> <li>3. To consider and approve the resolutions in relation to the election of Shareholder Representative Supervisors: THAT the election of Madam Han Fang as a Shareholder Representative Supervisor of the Company be and is hereby considered and approved, and shall take effect from the date of passing this resolution until the Annual General Meeting of the Company for the year 2022 to be held in year 2023; THAT any Director of the Company be and is hereby authorised to sign on behalf of the Company the Supervisor's service contract with Madam Han Fang; and THAT the Supervisory Committee be and is hereby authorised to determine her remuneration; THAT the election of Madam Wang Yibing as a Shareholder Representative Supervisor of the Company be and is hereby considered and approved, and shall take effect from the date of passing this resolution until the Annual General Meeting of the Company for the year 2022 to be held in year 2023; THAT any Director of the Company be and is hereby authorised to sign on behalf of the Company the Supervisor's service contract with Madam Wang Yibing; and THAT the Supervisory Committee be and is hereby authorised to determine her remuneration.</li> </ol>
Annual General Meeting for the year 2021	2022-05-19	www.hkexnews.hk www.chinatelecom-h.com	<ol style="list-style-type: none"> <li>1. THAT the financial reports of the Company for the year of 2021 audited by PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers be considered and approved;</li> <li>2. THAT the Annual Reports for the year of 2021 be considered and approved;</li> <li>3. THAT the work report of the Board for the year of 2021 be considered and approved;</li> <li>4. THAT the work report of the Supervisory Committee for the year of 2021 be considered and approved;</li> <li>5. THAT the profit distribution and dividend declaration plan of the Company for the year of 2021 be considered and approved;</li> <li>6. THAT the authorisation to the Board to decide on the interim profit distribution plan of the Company for year 2022 be considered and approved;</li> <li>7. THAT the re-appointment of PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP as the external auditors of the Company for the year ending 31 December 2022 and the authorisation to the Board to fix the remuneration of the auditors be considered and approved.</li> </ol>



AGM was held in Beijing and Hong Kong with video conference connection. Management presented in the Beijing venue and communicated with shareholders

## SECTION IV CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Company held 2 general meetings, with all resolutions approved. For details, please refer to the relevant announcements published by the Company on the websites of the Stock Exchange and the Company.

the Articles of Association of the Company, the Rules of Procedures of the Shareholders' General Meeting and other relevant requirements to ensure that all shareholders, especially minority shareholders, enjoy equal status and fully exercise their rights.

The convening, holding, voting and other relevant procedures of the general meetings of the Company were in compliance with the laws and regulations,

### 4. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### (1) Changes in shareholding and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period

Name	Position	Gender	Age	Commencement date of term	End date of term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares during the year	Reason for change	Total remuneration before tax received from the Company during the Reporting Period (RMB in ten thousand)
Ke Ruiwen	Executive Director, Chairman and Chief Executive Officer	Male	59	2012-05-30	Annual General Meeting for the year 2022	0	0	0	/	69.62
Li Zhengmao (Resigned)	Executive Director, President and Chief Operating Officer	Male	60	2020-05-26	2022-07-12	0	0	0	/	33.73
Shao Guanglu	Executive Director	Male	59	2020-05-26	Annual General Meeting for the year 2022	0	0	0	/	65.66
	President and Chief Operating Officer			2022-08-16	Annual General Meeting for the year 2022					
Liu Guiqing	Executive Director and Executive Vice President	Male	56	2019-08-19	Annual General Meeting for the year 2022	0	0	0	/	62.94

SECTION IV CORPORATE GOVERNANCE REPORT

Name	Position	Gender	Age	Commencement date of term	End date of term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares during the year	Reason for change	Total remuneration before tax received from the Company during the Reporting Period (RMB in ten thousand)
Tang Ke	Executive Vice President	Male	48	2021-11-29	Annual General Meeting for the year 2022	0	0	0	/	62.56
	Executive Director			2022-03-22	Annual General Meeting for the year 2022					
Xia Bing	Executive Vice President	Male	49	2022-04-26	Annual General Meeting for the year 2022	0	0	0	/	49.79
	Executive Director			2023-01-06	Annual General Meeting for the year 2022					
Li Yinghui	Executive Vice President, Chief Financial Officer	Male	52	2022-04-26	Annual General Meeting for the year 2022	0	0	0	/	48.05
	Secretary of the Board			2022-09-05	Annual General Meeting for the year 2022					
	Executive Director			2023-01-06	Annual General Meeting for the year 2022					
Chen Shengguang	Non-Executive Director	Male	59	2017-05-23	Annual General Meeting for the year 2022	1,000	1,000	0	/	0.00
Tse Hau Yin, Aloysius (resigned)	Independent Non-Executive Director	Male	75	2005-09-09	2023-01-06	0	0	0	/	49.13
Xu Erming (resigned)	Independent Non-Executive Director	Male	73	2005-09-09	2023-01-06	0	0	0	/	25.00

## SECTION IV CORPORATE GOVERNANCE REPORT

Name	Position	Gender	Age	Commencement date of term	End date of term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares during the year	Reason for change	Total remuneration before tax received from the Company during the Reporting Period (RMB in ten thousand)
Wang Hsuehming	Independent Non-Executive Director	Female	73	2014-05-29	Annual General Meeting for the year 2022	0	0	0	/	26.80
Yeung Chi Wai, Jason	Independent Non-Executive Director	Male	68	2018-10-26	Annual General Meeting for the year 2022	0	0	0	/	26.80
Ng, Kar Ling Johnny	Independent Non-Executive Director	Male	62	2023-01-06	Annual General Meeting for the year 2022	0	0	0	/	0.00
Chen Dongqi	Independent Non-Executive Director	Male	66	2023-01-06	Annual General Meeting for the year 2022	0	0	0	/	0.00
Sui Yixun (resigned)	Chairman of the Supervisory Committee and Shareholder Representative Supervisor	Male	59	2015-05-27	2022-03-22	0	0	0	/	32.01
Han Fang	Chairlady of the Supervisory Committee and Shareholder Representative Supervisor	Female	49	2022-03-22	Annual General Meeting for the year 2022	0	0	0	/	75.75
Zhang Jianbin	Employee Representative Supervisor	Male	57	2012-10-16	Annual General Meeting for the year 2022	1	1	0	/	108.31
Dai Bin	Employee Representative Supervisor	Male	54	2020-05-26	Annual General Meeting for the year 2022	0	0	0	/	105.23
Xu Shiguang	Shareholder Representative Supervisor	Male	43	2018-10-26	Annual General Meeting for the year 2022	0	0	0	/	92.89

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You Minqiang (resigned)	Shareholder Representative Supervisor	Male	49	2020-05-26	2022-03-22	0	0	0	/	0.00
Wang Yibing	Shareholder Representative Supervisor	Female	56	2022-03-22	Annual General Meeting for the year 2022	0	0	0	/	0.00
Total	/	/	/	/	/	1,001	1,001	0	/	934.27

## Notes:

1. During the Reporting Period, the Company also settled the bonus for the year 2021, including RMB1,080,400 for Mr. Ke Ruiwen, RMB727,300 for Mr. Shao Guanglu, RMB970,000 for Mr. Liu Guiqing, RMB254,200 for Mr. Tang Ke and RMB84,800 for Mr. Xia Bing.
2. Mr. Tse Hau Yin, Aloysius resigned from his position as an Independent Non-Executive Director of the Company on 16 August 2022 and his resignation took effect on the date of election of a new Independent Non-Executive Director at the shareholders' meeting on 6 January 2023.
3. Mr. Xu Erming resigned from his position as an Independent Non-Executive Director of the Company on 16 August 2022 and his resignation took effect on the date of election of a new Independent Non-Executive Director at the shareholders' meeting on 6 January 2023.
4. Mr. Sui Yixun resigned from his position as a Supervisor of the Company on 17 December 2021 and his resignation took effect on the date of election of a new Supervisor at the shareholders' meeting on 22 March 2022.
5. Mr. You Minqiang resigned from his position as a Supervisor of the Company on 17 December 2021 and his resignation took effect on the date of election of a new Supervisor at the shareholders' meeting on 22 March 2022.