

SECTION IV CORPORATE GOVERNANCE REPORT

1. AN OVERVIEW OF CORPORATE GOVERNANCE

The Company strives to maintain a 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 2023, the Company's shareholders' meetings, 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 2023, 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 continuously improved the System of Information Disclosure Committee and delivered important information of the

Company to the capital market in a complete, accurate and timely manner. The Company's information disclosure work received an A grade evaluation from the SSE for 2022-2023. 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 2023, the Company convened a total of 2 general meetings, 8 Board meetings and 7 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.

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For the year ended 31 December 2023, 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 C1 of the Listing Rules (the "Corporate Governance Code") in the year 2023.

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*, ensuring the fairness and justice of information disclosure, and protecting 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 results briefings, investor briefings 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 2023, the Company conducted the annual and interim results announcement briefings effectively and conducted the third quarter results announcement briefing through online means. The Company participated in the "Shanghai Stock Exchange Listed Companies Roadshow: Special ESG Event for Central Enterprises" and proactively innovated the communication modes including the introduction of innovative elements such as virtual digital intelligent host "Xinyi" in the interim results announcement briefing to demonstrate the achievements of the Company's digital transformation. The management of the Company led teams to overseas roadshows and conducted in-depth exchanges with local investment institutions. The Company organised domestic and international analysts and investors to conduct reverse roadshows with themes of 5G 2B and Industrial Digitalisation businesses in Nanjing, Wuhu, Guangzhou, etc. to fully demonstrate the Company's investment value to the capital market. 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.

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In 2023, 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 "All-Asia-Executive Team Poll 2023" organised by *Institutional Investor* for thirteen consecutive years. The Company also ranked among the top in categories such as "Best Company Board of Directors", "Best IR Programme", "Best IR Team" and "Best ESG". The Company was also accredited with "Best Investor Relations Team" and "Best Social Responsibility Initiative" in the "ESG Corporate Awards 2023" by *The Asset*. In addition, the Company was awarded "Asia's Best CSR" for four consecutive years in "Asian Excellence Award 2023" organised by *Corporate Governance Asia*, a renowned regional journal on corporate governance in Asia. The Company further received awards such as "Best Corporate Communications", "Best Environmental Responsibility" and "Best Investor Relations Company". The Company was voted as "Most Outstanding Company in China — Telecommunication Services Sector" in *Asiamoney's* "Asia's Outstanding Companies Poll 2023". Moreover, the Company received Gold Award of "Best Corporate ESG Strategy in China" at the "Asia's Best Managed Companies Poll 2023" by *FinanceAsia*. The Company also received "Golden Bull Most Investment Value Award" and the "Golden Bull Award for Hong Kong Stocks" in the Golden Bull Award poll organised by *China Securities Journal*. The Company received the "Outstanding Management Team Annual Award for Chinese Listed Companies" in the Chinese Listed Companies Value Poll organised by *Securities Times*. In addition, the Company was awarded the "Best Practise of the Board of Directors for Listed Companies in 2023" by the 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 exercises its rights as a shareholder through the general meeting in accordance with the law, and has 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 businesses and self-operation capabilities. During the Reporting Period, the Company was not aware of any act in which the controlling shareholder took advantage of its special status to encroach on or damage the interests of the Company and other shareholders.

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3. GENERAL MEETINGS

| Session | Date | Designated websites for publishing resolutions | Resolutions of the Meeting |
|--|------------|--|--|
| The Second Extraordinary General Meeting in 2022 | 2023-01-06 | www.hkexnews.hk www.chinatelecom-h.com | <ol style="list-style-type: none"> 1. To consider and approve the resolution in relation to Directors' remuneration proposal. 2. To consider and approve the resolution in relation to entering into agreements in relation to affiliated transactions with China Tower Corporation Limited and the expected 2023 annual caps in respect of such affiliated transactions. 3. To consider and approve the resolutions in relation to the election of Directors (excluding the Independent Directors): <ol style="list-style-type: none"> 3.01. THAT the election of Mr. Xia Bing as a Director of the Company be and is hereby considered and approved. 3.02. THAT the election of Mr. Li Yinghui as a Director of the Company be and is hereby considered and approved. 4. To consider and approve the resolutions in relation to the election of Independent Directors: <ol style="list-style-type: none"> 4.01. THAT the election of Mr. Ng Kar Ling Johnny as an Independent Director of the Company be and is hereby considered and approved. 4.02. THAT the election of Mr. Chen Dongqi as an Independent Director of the Company be and is hereby considered and approved. |
| Annual General Meeting for the year 2022 | 2023-05-23 | www.hkexnews.hk www.chinatelecom-h.com | <ol style="list-style-type: none"> 1. THAT the financial reports of the Company for the year of 2022 audited by PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers be considered and approved. 2. THAT the Annual Reports for the year of 2022 be considered and approved. 3. THAT the work report of the Board for the year of 2022 be considered and approved. 4. THAT the work report of the Supervisory Committee for the year of 2022 be considered and approved. 5. THAT the profit distribution and dividend declaration plan of the Company for the year of 2022 be considered and approved. 6. THAT the authorisation to the Board to decide on the interim profit distribution plan of the Company for year 2023 be considered and approved. 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 2023 and the authorisation to the Board to fix the remuneration of the auditors be considered and approved. 8. THAT the purchase of liabilities insurance for the Company and its Directors, Supervisors and senior management be considered and approved. 9. THAT the Directors' remuneration proposal for the eighth session of the Board be considered and approved. |

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| Session | Date | Designated websites for publishing resolutions | Resolutions of the Meeting |
|---------|------|--|---|
| | | | 10. To consider and approve the resolutions in relation to the re-election or election of Directors of the eighth session of the Board (excluding the Independent Non-Executive Directors): |
| | | | 10.01. THAT the re-election of Mr. Ke Ruiwen as an Executive Director of the Company be and is hereby considered and approved. |
| | | | 10.02. THAT the re-election of Mr. Shao Guanglu as an Executive Director of the Company be and is hereby considered and approved. |
| | | | 10.03. THAT the re-election of Mr. Liu Guiqing as an Executive Director of the Company be and is hereby considered and approved. |
| | | | 10.04. THAT the re-election of Mr. Tang Ke as an Executive Director of the Company be and is hereby considered and approved. |
| | | | 10.05. THAT the re-election of Mr. Xia Bing as an Executive Director of the Company be and is hereby considered and approved. |
| | | | 10.06. THAT the re-election of Mr. Li Yinghui as an Executive Director of the Company be and is hereby considered and approved. |
| | | | 10.07. THAT the election of Mr. Li Jun as an Executive Director of the Company be and is hereby considered and approved. |
| | | | 10.08. THAT the re-election of Mr. Chen Shengguang as a Non-Executive Director of the Company be and is hereby considered and approved. |
| | | | 11. To consider and approve the resolutions in relation to the re-election or election of Independent Non-Executive Directors of the eighth session of the Board: |
| | | | 11.01. THAT the re-election of Mr. Ng Kar Ling Johnny as an Independent Non-Executive Director of the Company be and is hereby considered and approved. |
| | | | 11.02. THAT the re-election of Mr. Yeung Chi Wai, Jason as an Independent Non-Executive Director of the Company be and is hereby considered and approved. |
| | | | 11.03. THAT the re-election of Mr. Chen Dongqi as an Independent Non-Executive Director of the Company be and is hereby considered and approved. |
| | | | 11.04. THAT the election of Madam Lyu Wei as an Independent Non-Executive Director of the Company be and is hereby considered and approved. |
| | | | 12. To consider and approve the resolutions in relation to the re-election or election of Shareholder Representative Supervisors of the eighth session of the Supervisory Committee: |
| | | | 12.01. THAT the re-election of Madam Han Fang as a Shareholder Representative Supervisor of the Company be and is hereby considered and approved. |
| | | | 12.02. THAT the election of Mr. Luo Zhendong as a Shareholder Representative Supervisor of the Company be and is hereby considered and approved. |
| | | | 12.03. THAT the re-election of Madam Wang Yibing as a Shareholder Representative Supervisor of the Company be and is hereby considered and approved. |

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

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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 (unit: shares) | Number of shares held at the end of the year (unit: shares) | Changes in shares during the year (unit: shares) | 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 | 60 | 2012-05-30 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 74.37 |
| Shao Guanglu | Executive Director | Male | 60 | 2020-05-26 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 73.60 |
| | President and Chief Operating Officer | | | 2022-08-16 | Annual General Meeting for the year 2025 | | | | | |
| Liu Guiqing | Executive Director and Executive Vice President | Male | 57 | 2019-08-19 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 67.50 |
| Tang Ke | Executive Vice President | Male | 49 | 2021-11-29 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 66.87 |
| | Executive Director | | | 2022-03-22 | Annual General Meeting for the year 2025 | | | | | |
| Xia Bing (resigned) | Executive Vice President | Male | 50 | 2022-04-26 | 2024-01-19 | 0 | 0 | 0 | / | 66.87 |
| | Executive Director | | | 2023-01-06 | 2024-01-19 | | | | | |
| Li Yinghui | Executive Vice President, Chief Financial Officer | Male | 53 | 2022-04-26 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 66.87 |
| | Secretary of the Board | | | 2022-09-05 | Annual General Meeting for the year 2025 | | | | | |
| | Executive Director | | | 2023-01-06 | Annual General Meeting for the year 2025 | | | | | |
| Li Jun | Executive Director | Male | 48 | 2023-05-23 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 45.24 |
| Chen Shengguang | Non-Executive Director | Male | 60 | 2017-05-23 | Annual General Meeting for the year 2025 | 1,000 | 1,000 | 0 | / | 0.00 |
| Tse Hau Yin, Aloysius (resigned) | Independent Non-Executive Director | Male | 76 | 2005-09-09 | 2023-01-06 | 0 | 0 | 0 | / | 0.83 |
| Xu Erming (resigned) | Independent Non-Executive Director | Male | 74 | 2005-09-09 | 2023-01-06 | 0 | 0 | 0 | / | 0.42 |
| Wang Hsuehming (resigned) | Independent Non-Executive Director | Female | 74 | 2014-05-29 | 2023-05-23 | 0 | 0 | 0 | / | 10.80 |
| Ng Kar Ling Johnny | Independent Non-Executive Director | Male | 63 | 2023-01-06 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 49.15 |
| Yeung Chi Wai, Jason | Independent Non-Executive Director | Male | 69 | 2018-10-26 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 31.65 |

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| Name | Position | Gender | Age | Commencement date of term | End date of term | Number of shares held at the beginning of the year (unit: shares) | Number of shares held at the end of the year (unit: shares) | Changes in shares during the year (unit: shares) | Reason for change | Total remuneration before tax received from the Company during the Reporting Period (RMB in ten thousand) |
|-----------------------|--|--------|-----|---------------------------|--|---|---|--|-------------------|---|
| Chen Dongqi | Independent Non-Executive Director | Male | 67 | 2023-01-06 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 0.00 |
| Lyu Wei | Independent Non-Executive Director | Female | 67 | 2023-05-23 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 0.00 |
| Han Fang | Chairlady of the Supervisory Committee and Shareholder Representative Supervisor | Female | 50 | 2022-03-22 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 148.70 |
| Zhang Jianbin | Employee Representative Supervisor | Male | 58 | 2012-10-16 | Annual General Meeting for the year 2025 | 1 | 1 | 0 | / | 118.43 |
| Dai Bin (retired) | Employee Representative Supervisor | Male | 55 | 2020-05-26 | 2023-05-23 | 0 | 0 | 0 | / | 45.33 |
| Xu Shiguang (retired) | Shareholder Representative Supervisor | Male | 44 | 2018-10-26 | 2023-05-23 | 0 | 0 | 0 | / | 19.58 |
| Guan Lixin | Employee Representative Supervisor | Female | 52 | 2023-05-23 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 105.18 |
| Luo Zhendong | Shareholder Representative Supervisor | Male | 46 | 2023-05-23 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 78.00 |
| Wang Yibing | Shareholder Representative Supervisor | Female | 58 | 2022-03-22 | Annual General Meeting for the year 2025 | 0 | 0 | 0 | / | 0.00 |
| Total | / | / | / | / | / | 1,001 | 1,001 | 0 | / | 1,069.39 |

Notes:

1. Mr. Ng Kar Ling Johnny and Mr. Chen Dongqi were elected as Independent Non-Executive Directors of the Company at the second Extraordinary General Meeting in 2022 held on 6 January 2023. Mr. Tse Hau Yin, Aloysius and Mr. Xu Erming no longer served as Independent Non-Executive Directors of the Company with effect from 6 January 2023.
2. At the Annual General Meeting for the year 2022 on 23 May 2023, Mr. Ke Ruiwen, Mr. Shao Guanglu, Mr. Liu Guiqing, Mr. Tang Ke, Mr. Xia Bing, Mr. Li Yinghui and Mr. Li Jun were re-elected or elected as Executive Directors of the eighth session of the Board of Directors of the Company, Mr. Chen Shengguang was re-elected as a Non-Executive Director of the eighth session of the Board of Directors of the Company, Mr. Ng Kar Ling Johnny, Mr. Yeung Chi Wai, Jason, Mr. Chen Dongqi and Madam Lyu Wei were re-elected or elected as Independent Non-Executive Directors of the eighth session of the Board of Directors of the Company, and Madam Han Fang, Mr. Luo Zhendong and Madam Wang Yibing were re-elected or elected as Shareholder Representative Supervisors of the eighth session of the Supervisory Committee of the Company. Meanwhile, Mr. Zhang Jianbin and Madam Guan Lixin have been elected by the employees of the Company democratically as the Employee Representative Supervisors of the eighth session of the Supervisory Committee of the Company. Madam Wang Hsuehming no longer served as an Independent Non-Executive Director of the Company and Mr. Dai Bin and Mr. Xu Shiguang no longer served as Supervisors of the Company with effect from 23 May 2023.
3. During the Reporting Period, the Company also settled the bonus for the year 2022, including RMB355,200 for Mr. Ke Ruiwen, RMB334,500 for Mr. Shao Guanglu, RMB319,500 for Mr. Liu Guiqing, RMB310,200 for Mr. Tang Ke, RMB310,200 for Mr. Xia Bing, RMB258,500 for Mr. Li Yinghui and RMB123,900 for Mr. Li Jun.
4. During the Reporting Period, the Company also settled special incentives, including RMB500,000 for Mr. Zhang Jianbin and RMB130,000 for Madam Han Fang.