

SECTION IV CORPORATE GOVERNANCE REPORT

1. 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">To consider and approve the resolution in relation to Directors' remuneration proposal.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.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.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">THAT the financial reports of the Company for the year of 2022 audited by PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers be considered and approved.THAT the Annual Reports for the year of 2022 be considered and approved.THAT the work report of the Board for the year of 2022 be considered and approved.

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			<p>4. THAT the work report of the Supervisory Committee for the year of 2022 be considered and approved.</p> <p>5. THAT the profit distribution and dividend declaration plan of the Company for the year of 2022 be considered and approved.</p> <p>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.</p> <p>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.</p> <p>8. THAT the purchase of liabilities insurance for the Company and its Directors, Supervisors and senior management be considered and approved.</p> <p>9. THAT the Directors' remuneration proposal for the eighth session of the Board be considered and approved.</p> <p>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):</p> <p>10.01. THAT the re-election of Mr. Ke Ruiwen as an Executive Director of the Company be and is hereby considered and approved.</p> <p>10.02. THAT the re-election of Mr. Shao Guanglu as an Executive Director of the Company be and is hereby considered and approved.</p>

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			<p>10.03. THAT the re-election of Mr. Liu Guiqing as an Executive Director of the Company be and is hereby considered and approved.</p> <p>10.04. THAT the re-election of Mr. Tang Ke as an Executive Director of the Company be and is hereby considered and approved.</p> <p>10.05. THAT the re-election of Mr. Xia Bing as an Executive Director of the Company be and is hereby considered and approved.</p> <p>10.06. THAT the re-election of Mr. Li Yinghui as an Executive Director of the Company be and is hereby considered and approved.</p> <p>10.07. THAT the election of Mr. Li Jun as an Executive Director of the Company be and is hereby considered and approved.</p> <p>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.</p> <p>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:</p> <p>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.</p> <p>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.</p> <p>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.</p>

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			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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2. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT SINCE THE DATE OF THE 2022 ANNUAL REPORT

The term of office of the seventh session of the Board of Directors of the Company expired at the annual general meeting of the Company for the year 2022 held on 23 May 2023 (“2022 AGM”). 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, and 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 at the 2022 AGM. The resignation of Madam Wang Hsuehming, an Independent Non-Executive Director of the seventh session of the Board, took effect on the date of election of the new Independent Non-Executive Director at the 2022 AGM.

The term of office of the seventh session of the Supervisory Committee of the Company expired at the 2022 AGM. 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 at the 2022 AGM. 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. Due to change in work arrangement, Mr. Dai Bin, an Employee Representative Supervisor, and Mr. Xu Shiguang, a Shareholder Representative Supervisor, of the seventh session of the Supervisory Committee retired from their positions as Supervisors of the Company with effect from 23 May 2023.

The appointment of the Directors and Supervisors for the eighth session of the Board and the Supervisory Committee took effect from 23 May 2023 for a term of three years until the annual general meeting of the Company for the year 2025 to be held in the year 2026. Remuneration of each Director is determined in accordance with the Directors’ remuneration proposal for the eighth session of the Board as approved by the shareholders of the Company at the 2022 AGM. Supervisors do not receive remuneration as Supervisors from the Company.

At the first meeting of the eighth session of the Board of Directors and the first meeting of the eighth session of the Supervisory Committee held on 23 May 2023, Mr. Ke Ruiwen was elected as the Chairman of the Company and re-appointed as the Chief Executive Officer of the Company, Mr. Shao Guanglu was re-appointed as the President and Chief Operating Officer of the Company, Mr. Liu Guiqing, Mr. Tang Ke, Mr. Xia Bing and Mr. Li Yinghui were re-appointed as Executive Vice Presidents of the Company, Mr. Li Yinghui was re-appointed as the Chief Financial Officer and Secretary of the Board, and Madam Han Fang was elected as the Chairlady of the eighth session of the Supervisory Committee.

The changes in the biographical information relating to the Directors and Supervisors of the Company since the publication of the 2022 Annual Report and the announcement of the Company dated 23 May 2023 are set out below:

Mr. Ng, Kar Ling Johnny, an Independent Non-Executive Director of the Company, no longer serves as an Independent Non-Executive Director of China Vanke Co., Ltd. which is listed on the Main Board of the HKSE and the Shenzhen Stock Exchange. Mr. Zhang Jianbin, an Employee Representative Supervisor of the Company, no longer serves as the Managing Director of the Legal Department (Compliance Management Department) of China Telecommunications Corporation and the Company.

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Save as stated above, there is no other information of the Directors or Supervisors of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The biographical details of the Directors, Supervisors and senior management are available on the website of the Company (www.chinatelecom-h.com).

3. PROPOSAL FOR PROFIT DISTRIBUTION OR CONVERSION OF CAPITAL RESERVE

The half-year proposal for profit distribution or conversion of capital reserve

Whether distributed or capitalised	Yes
Number of bonus shares for every 10 shares (share)	0
Dividend amount per 10 shares (RMB) (pre-tax)	1.432
Number of shares capitalised for every 10 shares (share)	0

Description on the proposal for profit distribution or conversion of capital reserve

After fully considering the returns to shareholders, the Company's profitability, cash flow level and capital needs for future development, the second meeting of the eighth session of the Board of the Company decided to distribute the interim dividend for 2023 to all shareholders in the aggregate amount of RMB13,104 million based on 65% of the profit attributable to equity holders of the Company in the amount of RMB20.15 billion. Based on the total share capital registered on the record date for the dividend distribution, and based on the Company's total share capital of 91,507,138,699 shares as at 30 June 2023, a dividend of RMB0.1432 per share (pre-tax) was declared and will be paid to all shareholders. In case of any change in the total number of issued share capital of the Company before the record date for the implementation of the dividend distribution, the total distribution amount will remain unchanged, and the distribution amount per share will be adjusted accordingly.

The Board has been authorised by 2022 AGM to decide the profit distribution proposal and the resolution for the proposed interim dividend was considered and approved at the second meeting of the eighth session of the Board of the Company on 8 August 2023.

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4. EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY AND THEIR IMPACT

The Company implemented two phases of share appreciation rights scheme in 2018 and 2021, respectively, to provide mid- to long-term incentives for key personnel (excluding the Executive Directors, Non-Executive Directors, Independent Non-Executive Directors, Supervisors and senior management of the Company).

The proposal in relation to completion of exercise conditions of the 2018 Share Appreciation Rights for key personnel of the Company was considered and approved at the 26th meeting of the seventh session of the Board on 3 February 2023. The Board confirmed that the exercise conditions of the 2018 Share Appreciation Rights have been met, and the Company would handle the matters in relation to the exercise of share appreciation rights.

As approved by the Board, according to the 2021 Share Appreciation Rights Proposal, the Company granted approximately 2,402 million H share appreciation rights to 7,908 key personnel of the Company with an exercise price of HK\$2.686.

Firstly, share appreciation rights are distributed based on contribution, adhering to the value-oriented principle and tilting towards units with remarkable high-quality development. Secondly, share appreciation rights are distributed based on potential, which adheres to the development orientation and tilts to the key areas of “Cloudification and Digital Transformation” and high-end and high-quality talents. Thirdly, share appreciation rights are granted based on performances. The Company adheres to the performance-oriented principle and closely links the number of rights exercised with the

Company’s performance and employees’ individual performance, and imposes penalties for failure to achieve performance targets.

The scheme does not involve the grant of shares or other securities of the Company or any of its principal subsidiaries (including the grant of options for the purchase of any of such shares or securities) and therefore, it does not fall within the scope of, and is not subject to, the requirements under Chapter 17 of the Listing Rules.

5. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The roles of Chairman and Chief Executive Officer of the Company were performed by the same individual, for the six-month period ended 30 June 2023. In the Company’s opinion, through supervision by the Board of Directors and Independent Non-Executive Directors, with effective control of the Company’s internal check and balance mechanism, the same individual performing the roles of Chairman and Chief Executive Officer can enhance the Company’s efficiency in decision-making and execution and effectively capture business opportunities. Many leading international corporations around the world also have similar arrangements.

Save as stated above, the Company has been in compliance with all the code provisions under the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six-month period ended 30 June 2023.