

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	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
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

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	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

SECTION VI SIGNIFICANT EVENTS

2. MATERIAL CONTRACTS AND PERFORMANCE

(1) TRUSTEESHIP, CONTRACTING AND LEASING

Leasing

The Company entered into the Commercial Pricing Agreement and the Service Agreement with China Tower with a term of five years commencing from 1 January 2023 to 31 December 2027. Assets leased and services received by the Company from China Tower as stipulated in the agreements include: (1) tower products, including new towers, i.e., tower products other than acquired towers, and acquired towers, i.e. tower products acquired by China Tower pursuant to prior transaction agreements; (2) indoor distribution system products: indoor distribution systems for commercial buildings and tunnels; (3) transmission products: pipelines, pole lines, optical fiber, public manholes and routes to sites, etc.; (4) service products: power service, gasoline or diesel power generation service and extra battery assurance service. For details, please refer to the announcement dated 13 December 2022 and the supplemental circular dated 19 December 2022 published by the Company and “22. Related Party Transactions” of “Notes to the Unaudited Condensed Consolidated Interim Financial Information” in Section VIII “Interim Financial Information” of this report.

(2) MATERIAL GUARANTEES PERFORMED AND NOT YET FULFILLED DURING THE REPORTING PERIOD

Unit: yuan Currency: Renminbi

External guarantees provided by the Company (excluding guarantees provided to 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 to its subsidiaries

Total amount of guarantees provided to subsidiaries incurred during the Reporting Period	20,171,236.58
Total balance of guarantees provided to subsidiaries as at the end of the Reporting Period (B)	45,513,445.08

SECTION VI SIGNIFICANT EVENTS

Aggregate guarantees of the Company (including those guarantees provided to its subsidiaries)

Aggregate amount of guarantees (A + B)	45,513,445.08
Percentage of total aggregate amount of guarantee to net assets of the Company (%)	0.0101
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)	0
Amount of total guarantee exceeding 50% of net assets (E)	0
Aggregate amount of the above three guarantees (C + D + E)	0
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 Group Finance Co., Ltd. and China Telecom Global Limited, both 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 June 2023.

SECTION VI SIGNIFICANT EVENTS

(1) Description of guarantees during the Reporting Period

According to the needs of daily production and operation, China Telecom Finance and China Telecom Global, both being subsidiaries of the Company (hereinafter referred to as the Company's wholly-owned and holding subsidiaries), 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 was 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. 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.

According to the needs of daily production and operation, China Telecom Finance, China Telecom Global and China Telecom Middle East FZ-LLC, all being subsidiaries of the Company, contemplated to provide guarantees to wholly-owned subsidiaries of the Company in 2023, in an aggregate amount of not exceeding RMB393.50 million (or equivalent foreign currency). The guarantee limit is valid until 31 March 2024. 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, the guarantors 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 2023 of China Telecom Corporation Limited" disclosed by the Company on 30 March 2023.

SECTION VI SIGNIFICANT EVENTS

(2) The progress of guarantees during the Reporting Period

In the second quarter of 2023 and within the scope of the guarantee limit under the agreement of guarantee described above, China Telecom Finance provided five guarantees totaling RMB14.591 million to China Telecom Digital Intelligence Technology. The details of the guarantees are as follows:

Guarantor	Guaranteed party	Amount of guarantee (RMB)	Guarantee period	Type of guarantee	Method of guarantee
China Telecom Group Finance Co., Ltd.	China Telecom Digital Intelligence Technology Co., Ltd Shanxi Branch	186,567.19	24 April 2023 to 26 February 2025	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd Sichuan Branch	998,800.00	6 May 2023 to 3 May 2025	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd Xinjiang Branch	10,915,611.39	9 May 2023 to 30 September 2023	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd Sichuan Branch	2,000,000.00	19 June 2023 to 31 December 2023	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd Shaanxi Branch	490,000.00	20 June 2023 to 15 June 2025	Non-financing guarantee	Performance guarantee

Note: For details of the progress of guarantees during the first quarter of 2023, please refer to the 2023 First Quarter Report of China Telecom Corporation Limited published on 20 April 2023.

(3) 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 RMB45.5134 million, 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 June 2023.

SECTION VI SIGNIFICANT EVENTS

3. DESCRIPTION OF OTHER SIGNIFICANT EVENTS

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.