

During the reporting period, all members of the Supervisory Committee acted in accordance with the Company Law of the People's Republic of China and the Articles of Association of the Company, followed the principles of integrity and diligently carried out their supervisory function to safeguard the interests of the shareholders, the Company and the employees.

I. THE WORK STATUS OF THE SUPERVISORY COMMITTEE OF THE COMPANY

During the reporting period, the Supervisory Committee held two meetings. At the sixth meeting of the sixth session of the Supervisory Committee held on 19 March 2020, the Supervisory Committee reviewed and approved six agenda items, including the financial statements for the year 2019, the auditor's report issued by the external auditors, the profit distribution and dividend proposal, the Supervisory Committee's report for the year 2019, the work plan of the Supervisory Committee for the year 2020, election of members to the seventh session of the Supervisory Committee, and passed the relevant resolutions. Regarding the impact of the Epidemic on the Company's business development and the improvement of resource efficiency, etc., the Supervisory Committee communicated with the Finance Department and external auditors and raised certain recommendations. At the first meeting of the seventh session of the Supervisory Committee held on 13 August 2020, the Supervisory Committee reviewed and approved the interim financial statements of the Company for the interim report of 2020 and the review report of the external auditors,

and passed the relevant resolutions. Regarding the Company's operating results, 5G construction, etc., the Supervisory Committee communicated with the Finance Department and external auditors and raised certain recommendations. During the reporting period, members of the Supervisory Committee supervised the major decision-making process of the Company and the performance of duties of the members of the Board and the senior management through their attendance at the 2019 Annual General Meeting, Board meetings and Audit Committee meetings.

II. THE OVERALL ASSESSMENT OF THE OPERATION MANAGEMENT AND PERFORMANCE DURING THE REPORTING PERIOD

The Supervisory Committee believed that during the reporting period, all members of the Board and the senior management have complied with rules and regulations, upheld the principles of diligence and integrity, safeguarded the interests of shareholders, fully fulfilled their responsibilities in accordance with the Articles of Association of the Company, diligently implemented the resolutions of shareholders' meetings and the Board meetings, and strictly complied with the relevant regulations governing listed companies. The Supervisory Committee has not observed any behaviours that breached the laws, rules and Articles of Association of the Company, or damaged the interests of shareholders.

During the reporting period, The Company coordinated its efforts in Epidemic prevention and control with operation and development, firmly seized opportunities emerging from the digital transformation of the economy and society, and promoted the “Cloudification and Digital Transformation” strategy on all fronts. The Company also strengthened its sci-tech innovation capabilities and deepened corporate reforms, achieving steady growth of its operating results, while continuing to share the high-quality development results of the Company with its shareholders and the society. In 2020, operating revenues of the Company amounted to RMB393.6 billion, representing an increase of 4.7% over last year. Service revenues¹ amounted to RMB373.8 billion, representing an increase of 4.5% over last year, surpassing the industry’s average growth rate² over several consecutive years. Of which, mobile service revenues amounted to RMB181.7 billion, representing an increase of 3.5% over last year. Wireline service revenues amounted to RMB192.1 billion, representing an increase of 5.5% over last year. EBITDA³

amounted to RMB118.9 billion, representing an increase of 1.4% over last year. Net profit⁴ amounted to RMB20.9 billion, representing an increase of 1.6% over last year, while basic earnings per share were RMB0.26. Capital expenditure was RMB84.8 billion and free cash flow⁵ was RMB14.3 billion. The Company’s financial position remained robust.

Overall, the Company built up new information infrastructure with 5G and cloud as the core, and stimulated increasing and diversified customer demand for integrated intelligent information services, sped up its Cloudification reform as well as digital transformation, established the new development pattern from an all-round perspective and strived to enhance its market competitiveness and corporate vitality. In addition, while diligently fulfilling its responsibilities to shareholders, the Company persisted in integrating social responsibilities into its own development, and fulfilled its corporate social responsibilities excellently.

¹ Service revenues are calculated based on operating revenues minus sales of mobile terminals, sales of wireline equipment and other non-service revenues.

² MIIT’s statistical communique of the communications industry in 2020: telecommunications revenue grew by 3.6% year-on-year in 2020.

³ EBITDA is calculated based on operating revenues minus operating expenses plus depreciation and amortisation.

⁴ Net profit represents profit attributable to equity holders of the Company.

⁵ Free cash flow is calculated based on EBITDA minus capital expenditure, income tax and depreciation charge for right-of-use assets other than land-use-rights.

III. THE INDEPENDENT OPINION ON THE RELEVANT MATTERS DURING THE REPORTING PERIOD

1. The opinion concluded by the Supervisory Committee on the compliance of the operation of the Company with laws and regulations

Pursuant to the relevant laws and regulations of PRC, the Supervisory Committee monitored the convening procedures and resolutions resolved at the meetings of the Board, the implementation by the Board of the resolutions approved by the shareholders' meetings, the performance of duties by the Company's senior management, and the Company's management policies. The Supervisory Committee is of the view that the Directors and the senior management, in performing their duties, strictly complied with the relevant rules and regulations, safeguarded the legitimate rights and interests of the Company and

the shareholders as a whole, especially those of the minority shareholders, actively promoted the regulated operation of the Company, enhanced the level of corporate governance of the Company, followed lawful procedures in their decision-making, and implemented resolutions approved at the shareholders' meetings. The Supervisory Committee was not aware of any behaviours of the Directors or the senior management which violated the laws, regulations, the Articles of Association of the Company or were detrimental to the interests of the Company.

2. The opinion concluded by the Supervisory Committee on the financial implementations of the Company

Through the supervision and inspection of the Company's financial policies and financial condition, the Supervisory Committee is of the view that the Company is able to strictly comply with the regulatory requirements such as section 404 of the US Sarbanes-Oxley Act and to continue

to enhance its internal controls over financial reporting, while effectively controlling and managing the Company in accordance with rules and regulations. The Supervisory Committee advised the Company to strengthen risk control as well as investment efficiency assessment in the area of emerging businesses. Upon reviewing the financial statements for the year 2020 with unqualified audit opinion and other relevant information to be tabled by the Board at the 2020 Annual General Meeting, which were prepared in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards as audited by PRC certified accountants and international auditors of the Company respectively, the Supervisory Committee is of the opinion that the financial statements truly and fairly reflect the Company's financial condition, operating results and cash flows.

In 2021, the Supervisory Committee will continue to strictly adhere to the Articles of Association of the Company and relevant regulations, assume its responsibility to protect the interests of the shareholders and the Company, and lay emphasis on monitoring the Company to fulfill its commitment to its shareholders. The Supervisory

Committee will focus on the Company's implementation of important measures in the process of comprehensively and deeply promoting "Cloudification and Digital Transformation" strategy, strengthening sci-tech innovation, accelerating the integration and development of 5G, cloud and artificial intelligence, empowering internal and external digital transformation, deepening and expanding ecological cooperation, and promoting corporate high-quality development, and will further broaden the work plan of the Supervisory Committee and strengthen its efforts in monitoring so as to protect the interests of all investors.

By Order of the Supervisory Committee

Sui Yixun

Chairman of the Supervisory Committee

Beijing, China

9 March 2021