

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 2021, 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 2021, in order to meet the regulatory requirements from the CSRC and the SSE on corporate governance and standardised operation after the Company's initial public offering of A Shares, and taking into account the actual situation of the Company, the Company revised the relevant provisions of the Articles of Association, and correspondingly revised

or formulated relevant internal governance systems such as the *Administrative Measures for Proceeds*, the *Administrative Measures for Related-party (Connected) Transactions*, the *Administrative Measures for External Guarantees* and *System for Internal Reporting of Material Information* 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 2021, the Company convened a total of 5 general meetings, 20 Board meetings and 9 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 2021, 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 2021.

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 formulated *the Rules for the Management of Information Disclosure* 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 number of access lines in service, mobile and wireline broadband users on a monthly basis to strengthen communication with the capital market and improve the transparency of information disclosure. Meanwhile, we attach great importance to the handling of inside information and have formulated the *Registration and Management System for Insiders* to standardise management, 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 2021, due to the prolonged impact of the Covid-19 Epidemic, the Company announced the results and communicated with investors, shareholders and the media through online means. 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 2021, the Company commenced and successfully completed its A Share Offering. In order to deepen domestic and international investors' knowledge and understanding of the Company's emerging business, the Company organised a dedicated roadshow for domestic investors to specifically introduce 5G, cloud, IDC and other emerging business which are of interest to most investors. Domestic investors could visit relevant exhibition halls in person and have face-to-face communications with business department heads. Meanwhile, the Company set up a webcast platform for international analysts who could not visit in person and facilitated communications between

investors and management of the Company through means such as video presentation and telephone conference. The roadshow was a great success, which effectively deepened domestic and international investors' understanding of the Company's business and operations, and received favorable feedback from both domestic and international investors. After A Share Offering, the Company proactively invited domestic analysts to visit the Company's annual Tianyi Intelligent Ecological Expo held in Guangzhou and visit the Company's 5G 2B benchmark project in Shenzhen. The Company arranged major business department heads and technical experts to conduct in-depth communications with investors.

In 2021, 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" for eleven consecutive years in the 2021 "All-Asia-Executive-Team" poll organised by *Institutional Investor*. The Company also received "Best Overall ESG", "Best IR Program" and other honours. The Company was also accredited with "Gold Award — Excellence in Environmental, Social and Governance" in the poll of "ESG Corporate Awards 2021" by *The Asset*. In addition, the Company was awarded, for the 14th time, "The Best of Asia — Icon on Corporate Governance" by *Corporate Governance Asia*. The Company was voted as "Most Outstanding Company in Hong Kong — Telecommunication Services Sector" in *Asiamoney's* "Asia's Outstanding Companies Poll 2021". The Company was also awarded "ESG Leading Enterprise Award" in "ESG Leading Enterprise Awards 2021" organised by *Bloomberg Businessweek/Chinese Edition*.

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 2021	2021-04-09	www.hkexnews.hk www.chinatelecom-h.com	<ol style="list-style-type: none"> 1. THAT the proposal regarding the plan for the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 2. THAT the proposal regarding the proposed authorisation to be granted by the General Meeting to the Board and its authorised persons to deal with matters in connection with the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 3. THAT the proposal regarding the distribution plan of accumulated profits prior to the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 4. THAT the proposal regarding the use of proceeds from the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 5. THAT the proposal regarding the amendments to the Articles of Association be considered and approved; 6. THAT the proposal regarding the adoption of the Rules of Procedures of the Shareholders' General Meeting applicable after the initial public offering and listing of the A Shares be considered and approved; 7. THAT the proposal regarding the amendments to the Rules of Procedures of the Meeting of the Board of Directors be considered and approved; 8. THAT the proposal regarding the amendments to the Rules of Procedures of the Meeting of the Supervisory Committee be considered and approved; 9. THAT the proposal regarding the dilution of immediate returns resulting from the initial public offering of RMB ordinary shares (A Shares) and the remedial measures be considered and approved; 10. THAT 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) be considered and approved; 11. THAT the proposal regarding the plan for shareholders' return within three years following the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 12. THAT the proposal regarding the undertakings on the information disclosure in the Prospectus in connection with the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved.



Management presented at AGM held in Hong Kong and communicated with shareholders through video conferencing due to the Covid-19 Epidemic

Session	Date	Designated websites for publishing resolutions	Resolutions of the Meeting
Domestic Shareholders' Class Meeting	2021-04-09	www.hkexnews.hk www.chinatelecom-h.com	<ol style="list-style-type: none"> 1. THAT the proposal regarding the plan for the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 2. THAT the proposal regarding the proposed authorisation to be granted by the General Meeting to the Board and its authorised persons to deal with matters in connection with the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 3. THAT the proposal regarding the distribution plan of accumulated profits prior to the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 4. THAT the proposal regarding the use of proceeds from the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 5. THAT the proposal regarding the dilution of immediate returns resulting from the initial public offering of RMB ordinary shares (A Shares) and the remedial measures be considered and approved; 6. THAT 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) be considered and approved; 7. THAT the proposal regarding the undertakings on the information disclosure in the Prospectus in connection with the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved.
H Shareholders' Class Meeting	2021-04-09	www.hkexnews.hk www.chinatelecom-h.com	<ol style="list-style-type: none"> 1. THAT the proposal regarding the plan for the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 2. THAT the proposal regarding the proposed authorisation to be granted by the General Meeting to the Board and its authorised persons to deal with matters in connection with the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 3. THAT the proposal regarding the distribution plan of accumulated profits prior to the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 4. THAT the proposal regarding the use of proceeds from the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved; 5. THAT the proposal regarding the dilution of immediate returns resulting from the initial public offering of RMB ordinary shares (A Shares) and the remedial measures be considered and approved; 6. THAT 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) be considered and approved; 7. THAT the proposal regarding the undertakings on the information disclosure in the Prospectus in connection with the initial public offering and listing of RMB ordinary shares (A Shares) be considered and approved.



Session	Date	Designated websites for publishing resolutions	Resolutions of the Meeting
Annual General Meeting for the year 2020	2021-05-07	www.hkexnews.hk www.chinatelecom-h.com	<ol style="list-style-type: none">1. THAT the consolidated financial statements of the Company, the report of the Board of Directors, the report of the Supervisory Committee and the report of the international auditor for the year ended 31 December 2020 be considered and approved, and the Board be authorised to prepare the budget of the Company for the year 2021;2. THAT the profit distribution proposal and the declaration and payment of a final dividend for the year ended 31 December 2020 be considered and approved;3. THAT the appointment of PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP as the external auditors of the Company for the year ended 31 December 2021 be considered and approved, and the Board be authorised to fix the remuneration of the auditors;4. To consider and approve the issue of debentures by the Company, to authorise the Board to issue debentures and determine the specific terms, conditions and other matters of the debentures and to approve the centralised registration of debentures by the Company;5. To consider and approve the issue of company bonds in mainland China, and to authorise the Board to issue company bonds and determine the specific terms, conditions and other matters of the company bonds in the People's Republic of China;6. To grant a general mandate to the Board to issue, allot and deal with additional shares in the Company not exceeding 20% of each of the existing Domestic Shares and H Shares in issue, to authorise the Board to increase the registered capital of the Company and to correspondingly amend the articles of association of the Company to reflect such increase in the registered capital of the Company under the general mandate.
The Second Extraordinary General Meeting in 2021	2021-11-30	www.sse.com.cn www.hkexnews.hk www.chinatelecom-h.com	<ol style="list-style-type: none">1. THAT the Continuing Connected Transactions together with the proposed Annual Caps be and are hereby generally and unconditionally approved and any Director of the Company is hereby authorised to do all such further acts and things and execute such further documents and take all such steps which in their opinion as may be necessary, desirable or expedient to implement and/or give effect to the terms of such Continuing Connected Transactions.2. THAT the amendments to the Articles of Association of the Company be considered and approved; THAT any Director of the Company be and is hereby authorised to undertake actions in his opinion as necessary or appropriate, so as to complete the approval and/or registration or filing of the amendments to the Articles of Association.

During the Reporting Period, the Company held 5 general meetings (including shareholders' class meeting), 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.

4. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) Changes in shareholding and remuneration of 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 thousands)
Ke Ruiwen	Executive Director, Chairman and Chief Executive Officer	Male	58	2012-05-30	Annual General Meeting for the year 2022	0	0	0	/	70.46
Li Zhengmao	Executive Director, President and Chief Operating Officer	Male	59	2020-05-26	Annual General Meeting for the year 2022	0	0	0	/	71.18
Shao Guanglu	Executive Director	Male	58	2020-05-26	Annual General Meeting for the year 2022	0	0	0	/	64.16
Chen Zhongyue (resigned)	Executive Director and Executive Vice President	Male	50	2017-05-23	2021-01-19	0	0	0	/	5.51
Zhang Zhiyong (resigned)	Executive Vice President	Male	56	2018-07-10	2021-09-30	0	0	0	/	52.13



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 thousands)
Liu Guiqing	Executive Director and Executive Vice President	Male	55	2019-08-19	Annual General Meeting for the year 2022	0	0	0	/	62.39
Zhu Min (resigned)	Executive Director, Executive Vice President, Chief Financial Officer and Secretary to the Board	Female	57	2018-10-26	2021-12-27	0	0	0	/	61.70
Tang Ke	Executive Vice President	Male	47	2021-11-29	Annual General Meeting for the year 2022	0	0	0	/	5.13
Chen Shengguang	Non-Executive Director	Male	58	2017-05-23	Annual General Meeting for the year 2022	0	1,000	1,000	Obtained from the Company's online issuance of A Shares	0.00
Tse Hau Yin, Aloysius	Independent Non-Executive Director	Male	74	2005-09-09	Annual General Meeting for the year 2022	0	0	0	/	44.97
Xu Erming	Independent Non-Executive Director	Male	72	2005-09-09	Annual General Meeting for the year 2022	0	0	0	/	25.00
Wang Hsuehming	Independent Non-Executive Director	Female	72	2014-05-29	Annual General Meeting for the year 2022	0	0	0	/	24.53
Yeung Chi Wai, Jason	Independent Non-Executive Director	Male	67	2018-10-26	Annual General Meeting for the year 2022	0	0	0	/	24.53

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 thousands)
Sui Yixun (resigned)	Chairman of the Supervisory Committee and Shareholder Representative Supervisor	Male	58	2015-05-27	Annual General Meeting for the year 2022	0	0	0	/	102.28
Zhang Jianbin	Employee Representative Supervisor	Male	56	2012-10-16	Annual General Meeting for the year 2022	0	1	1	Obtained from the Company's online issuance of A Shares	106.83
Dai Bin	Employee Representative Supervisor	Male	53	2020-05-26	Annual General Meeting for the year 2022	0	0	0	/	98.29
Xu Shiguang	Shareholder Representative Supervisor	Male	42	2018-10-26	Annual General Meeting for the year 2022	0	0	0	/	52.98
You Mingqiang (resigned)	Shareholder Representative Supervisor	Male	48	2020-05-26	Annual General Meeting for the year 2022	0	0	0	/	0.00
Total	/	/	/	/	/	0	1,001	1,001	/	872.07

Note 1: During the Reporting Period, the Company also settled the bonus for the year 2020, including RMB415,500 for Ke Ruiwen, RMB380,900 for Li Zhengmao, RMB342,800 for Shaoguang Lu, RMB368,500 for Chen Zhongyue and RMB364,400 for each of Zhang Zhiyong, Liu Guiqing and Zhu Min.

Note 2: On 29 November 2021, Mr. Tang Ke was appointed as an Executive Vice President of the Company. He was subsequently appointed as an Executive Director of the Company at the Extraordinary General Meeting of the Company held on 22 March 2022.

Note 3: Tse Hau Yin, Aloysius tendered resignation as an independent non-executive director of China Huarong Asset Management Co., Ltd. on 23 March 2021. Such resignation shall take effect after the commencement of term of office of a new independent non-executive director.

Note 4: On 17 December 2021, Mr. Sui Yixun and Mr. You Mingqiang resigned from their positions as Supervisors due to the reason of age and change in work arrangement respectively, and their resignations took effect on the date of election of the new Supervisors at the Extraordinary General Meeting of the Company held on 22 March 2022. Madam Han Fang and Madam Wang Yibing were subsequently appointed as the Shareholder Representative Supervisors of the seventh session of the Supervisory Committee of the Company at the Extraordinary General Meeting of the Company held on 22 March 2022. Madam Han Fang was elected as the Chairlady of the seventh session of the Supervisory Committee at a meeting of the Supervisory Committee held on 29 March 2022, with a term commencing from 29 March 2022 until the Annual General Meeting of the Company for the year 2022 to be held in year 2023.