



## SECTION IV CORPORATE GOVERNANCE REPORT

### 1. GENERAL MEETINGS

Session	Date	Designated websites for publishing resolutions	Resolutions of the Meeting
The First Extraordinary General Meeting in 2022	2022-03-22	<a href="http://www.hkexnews.hk">www.hkexnews.hk</a> <a href="http://www.chinatelecom-h.com">www.chinatelecom-h.com</a>	<ol style="list-style-type: none"><li>1. THAT the election of Mr. Tang Ke as a Director of the Company be and is hereby considered and approved, and shall take effect from the date of passing this resolution until the annual general meeting of the Company for the year 2022 to be held in year 2023; THAT any Director of the Company be and is hereby authorised to sign on behalf of the Company the Director's service contract with Mr. Tang Ke; and THAT the Board be and is hereby authorised to determine his remuneration;</li><li>2. THAT the purchase of liabilities insurance for the Company and its Directors, Supervisors and senior management be considered and approved;</li><li>3. To consider and approve the resolutions in relation to the election of Shareholder Representative Supervisors: THAT the election of Madam Han Fang as a Shareholder Representative Supervisor of the Company be and is hereby considered and approved, and shall take effect from the date of passing this resolution until the annual general meeting of the Company for the year 2022 to be held in year 2023; THAT any Director of the Company be and is hereby authorised to sign on behalf of the Company the Supervisor's service contract with Madam Han Fang; and THAT the Supervisory Committee be and is hereby authorised to determine her remuneration; THAT the election of Madam Wang Yibing as a Shareholder Representative Supervisor of the Company be and is hereby considered and approved, and shall take effect from the date of passing this resolution until the annual general meeting of the Company for the year 2022 to be held in year 2023; THAT any Director of the Company be and is hereby authorised to sign on behalf of the Company the Supervisor's service contract with Madam Wang Yibing; and THAT the Supervisory Committee be and is hereby authorised to determine her remuneration.</li></ol>



Session	Date	Designated websites for publishing resolutions	Resolutions of the Meeting
Annual General Meeting for the year 2021	2022-05-19	www.hkexnews.hk www.chinatelecom-h.com	<ol style="list-style-type: none"> <li>1. THAT the financial reports of the Company for the year of 2021 audited by PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers be considered and approved;</li> <li>2. THAT the Annual Reports for the year of 2021 be considered and approved;</li> <li>3. THAT the work report of the Board for the year of 2021 be considered and approved;</li> <li>4. THAT the work report of the Supervisory Committee for the year of 2021 be considered and approved;</li> <li>5. THAT the profit distribution and dividend declaration plan of the Company for the year of 2021 be considered and approved;</li> <li>6. THAT the authorisation to the Board to decide on the interim profit distribution plan of the Company for year 2022 be considered and approved;</li> <li>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 2022 and the authorisation to the Board to fix the remuneration of the auditors be considered and approved.</li> </ol>

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.



## **2. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

The Company held the first 2022 Extraordinary General Meeting on 22 March 2022, at which relevant resolution was considered and approved to elect Mr. Tang Ke as an Executive Director of the Company.

The Company held the first 2022 Extraordinary General Meeting on 22 March 2022, at which relevant resolutions were considered and approved to elect Madam Han Fang and Madam Wang Yibing as Shareholder Representative Supervisors of the Company.

The Company held the 12th meeting of the seventh session of the Supervisory Committee on 29 March 2022, at which relevant resolution was considered and approved to elect Madam Han Fang as the Chairlady of the Supervisory Committee of the Company.

The Company held the 18th meeting of the seventh session of the Board on 26 April 2022, at which relevant resolutions were considered and approved to appoint Mr. Xia Bing as an Executive Vice President of the Company and Mr. Li Yinghui as an Executive Vice President and the Chief Financial Officer of the Company. The above appointments became effective from 26 April 2022 until the annual general meeting of the Company for the year 2022 to be held in year 2023. In addition, the Board will seek approval for the proposed appointments of Mr. Xia Bing and Mr. Li Yinghui as Executive Directors of the Company from the shareholders of the Company. The relevant proposed appointments will be effective from the date of approval by the shareholders of the Company at an extraordinary general meeting to be convened (the “Extraordinary General Meeting”) until the annual general meeting of the Company for the year 2022 to be held in year 2023.



Due to his age, Mr. Li Zhengmao has retired from his positions as an Executive Director, the President and Chief Operating Officer of the Company with effect from 12 July 2022. Mr. Shao Guanglu, an Executive Director of the Company, has been appointed as the President and Chief Operating Officer of the Company. The relevant appointments became effective from 16 August 2022 until the annual general meeting of the Company for the year 2022 to be held in year 2023.

Pursuant to the relevant requirement issued by China Securities Regulatory Commission that the term of independent directors should not exceed six years, as Mr. Tse Hau Yin, Aloysius (“Mr. Tse”), Mr. Xu Erming (“Mr. Xu”) and Madam Wang Hsuehming (“Madam Wang”) have served as Independent Non-Executive Directors for more than 6 years, Mr. Tse will resign from his positions as an Independent Non-Executive Director, the chairman and a member of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee, Mr. Xu will resign from his positions as an Independent Non-Executive Director, the chairman and a member of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee, and Madam Wang will resign from her positions as an Independent Non-Executive Director, the chairlady and a member of the Nomination Committee, a member of the Audit Committee and the Remuneration Committee. In order to ensure the Board’s normal operation, the resignation of Mr. Tse, Mr. Xu and Madam Wang shall take effect on the date of election of the proposed Independent Non-Executive Directors at the Extraordinary General Meeting. Prior to that, Mr. Tse, Mr. Xu and Madam Wang will continue to carry out their relevant duties as Independent Non-Executive Directors and in the above special committees of the Board. Meanwhile,

the Board will seek approval for the proposed appointments of Mr. Ng, Kar Ling Johnny, Mr. Chen Dongqi and Madam Chen Lihua as Independent Non-Executive Directors of the Company from the shareholders of the Company. The relevant proposed appointments will be effective from the date of approval by the shareholders of the Company at the Extraordinary General Meeting until the annual general meeting of the Company for the year 2022 to be held in year 2023.

The changes in the biographical information relating to the Directors of the Company since the date of the 2021 Annual Report are set out below:

Mr. Shao Guanglu, an Executive Director, the President and Chief Operating Officer of the Company, is currently a Director and the President of China Telecommunications Corporation. Mr. Liu Guiqing, an Executive Director and Executive Vice President of the Company, is currently the Chairman and an Executive Director of China Communications Services Corporation Limited which is listed on the Main Board of the HKSE. Mr. Yeung Chi Wai, Jason, an Independent Non-Executive Director of the Company, no longer served as an Independent Non-Executive Director of Bank of Communications Co., Ltd. which is listed on the Main Board of the HKSE and the Shanghai Stock Exchange.

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](http://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)	1.20
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 19th meeting of the seventh session of the Board of the Company decided to distribute the interim dividend for 2022 to all shareholders based on 60% of the profit attributable to equity holders of the Company in the amount of RMB18.29 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 2022, a dividend of RMB0.120 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 with specific adjustments to be announced separately.

The Board has been authorised by 2021 Annual General Meeting to decide the proposal of interim dividend and the resolution for the proposed interim dividend was passed at the 19th meeting of the seventh session of the Board of the Company on 16 August 2022.

### 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 Directors, Supervisors and senior management of the Company).

As approved by the Board, according to the 2021 Share Appreciation Rights Proposal, the Company granted a total of 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.

## **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 2022. 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 2022.