

IMPORTANT NOTICE

1. The financial statements of the Company for the year of 2023 prepared in accordance with the IFRS Accounting Standards have been audited by PricewaterhouseCoopers, who has issued a standard unqualified audit report.
2. The profit distribution proposal or proposal for conversion of capital reserve into share capital for the Reporting Period has been approved by the Board.

Pursuant to the previous decision of the Board, within three years after the A Share Offering and Listing, the profit to be distributed by the Company in cash for each year will gradually increase to 70% or above of the profit attributable to equity holders of the Company for that year. After fully considering the Company's cash flow level, the cash return to shareholders, etc., the Board of Directors proposed a final dividend of RMB0.090 per share (pre-tax) in an aggregate amount of approximately RMB8,236 million calculated based on 91,507,138,699 shares, being the total number of issued share capital of the Company as at the end of 2023. The dividend distribution is derived from net profit realised in the current period. Together with the 2023 interim dividend of RMB0.1432 per share (pre-tax) which has been distributed, the full year dividend of 2023 amounts to RMB0.2332 per share (pre-tax) in an aggregate amount of approximately RMB21,339 million which represents over 70% of the profit attributable to equity holders of the Company for the year 2023. 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 Company attaches great importance to shareholder returns and fully considers the overall interests of shareholders, the Company's profitability, cash flow levels and future development needs. Within three years from 2024, the profit distributed in cash will gradually increase to above 75% of the profit attributable to equity holders of the Company for the year, striving to create more value for shareholders.

The profit distribution plan will be submitted to the Annual General Meeting of the Company for the year 2023 for consideration and approval.

3. Risk Statement of Forward-Looking Statements

Forward-looking statements, such as development strategies, future business plans and prospects, contained in the 2023 annual report of the Company do not constitute a commitment of the Company to investors. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may cause the Company's actual performance, financial condition or results of operations to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, the Company will not update these forward-looking statements. Investors should be aware of the investment risks.

4. Significant Risk Warning

The Company has described in detail the economic and policy environment adaptation risks, sci-tech and innovation risks, network and data security risks, risks relating to emerging businesses in strategic emerging industries and future industries and international business operational risks in this report. Please refer to the "Management's Discussion and Analysis (Report of the Directors)" in this report.

SECTION I DEFINITIONS

In this report, unless the context otherwise requires, the following terms and expressions have the following meanings:

2C/2H/2B/2G	To Customer/To Home/To Business/To Government
4G	4th generation mobile communication technology
5G	5th generation mobile communication technology
A Share(s)	Shares of the Company issued in mainland China, listed on domestic stock exchanges and subscribed and traded in RMB
AIDC	Artificial Intelligence Datacentre
AIoT	Artificial Intelligence of Things
ARPU	Monthly average revenue per user
Artificial Intelligence/AI	Technology science that researches and develops theories, methodologies, technologies and application systems for simulating, extending and expanding human intelligence
BG	Business Group
Big Data	Massive, real-time and diversified data information that can be recorded, collected, developed and utilised, and big data-based mining and processing technology
Board/Board of Directors	The board of directors of the Company
China Comservice/CCS	China Communications Services Corporation Limited (中國通信服務股份有限公司)
China Telecom/the Company	China Telecom Corporation Limited (中國電信股份有限公司), or where the context so requires, refers to China Telecom Corporation Limited and its subsidiaries
China Telecom Digital Intelligence Technology	China Telecom Digital Intelligence Technology Co., Ltd. (中電信數智科技有 限公司), formerly known as China Telecom System Integration Co., Limited (中國電信集團系統集成有限責任公司)

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China Telecom Finance	China Telecom Group Finance Co., Ltd. (中國電信集團財務有限公司)
China Telecom Global	China Telecom Global Limited (中國電信國際有限公司)
China Telecommunications	China Telecommunications Corporation (中國電信集團有限公司), formerly known as China Telecommunications Corporation (中國電信集團公司), the controlling shareholder of the Company
China Tower	China Tower Corporation Limited (中國鐵塔股份有限公司)
Chinese Accounting Standard/ China Accounting Standards for Business Enterprises	The Basic Standard of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and the specific accounting standards, application guidelines, interpretations and other relevant regulations subsequently revised
Cloud/Cloud Computing	An Internet technology that provides flexible and on-demand services to external users through the Internet with pooled cluster computing capabilities
Company Law	The Company Law of the PRC
Computing Power	The ability of computer equipment or computing centres/datacentres for processing information, i.e., the ability of computer hardware and software to cooperate to perform certain computing needs
CSRC	China Securities Regulatory Commission
DaaS	Desktop as a Service
DCI	Datacentre Interconnect
Dual Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
E-surfing Pay	E-surfing Pay Co., Ltd (天翼電子商務有限公司)
EFLOPS	FLOPS, Floating-Point Operations Per Second, which is commonly used to estimate computer performance; "E" stands for "Exa" and means 10^{18} ; therefore EFLOPS implies 10^{18} times of floating-point operations per second
FTTR	Fibre to The Room
Guangdong Rising	Guangdong Rising Holdings Group Co., Ltd. (廣東省廣晟控股集團有限公司), formerly known as Guangdong Rising Assets Management Co., Ltd. (廣東省廣晟資產經營有限公司)
H Share(s)	Shares of the Company that are registered in mainland China, issued outside mainland China, listed on the Stock Exchange and subscribed and traded in Hong Kong dollars

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IaaS	Infrastructure as a Service
IFRS Accounting Standards	IFRS Accounting Standards, amendments and interpretations issued from time to time by the International Accounting Standards Board
Internet of Things/IoT	Various sensory devices that are based on computer and communication technology, using cellular mobile network, wired network, wireless network, etc. to complete the transmission, coordination and processing of information, so as to realise the network of communication between objects and things, and communication between objects and people
Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
MaaS	Model as a Service
MIIT	Ministry of Industry and Information Technology
PaaS	Platform as a Service
PON	Passive Optical Network
Prospectus	The prospectus in connection with the initial public offering of A Shares of China Telecom Corporation Limited
Quantum-encrypted Calls	The communication technology that is closely integrated with quantum information technology to achieve end-to-end voice calls and other encryption protection, and provide users with stable and reliable quantum protection secure communication services
RDO	Fundamental research (R), applied technological research and development (D) and operational development (O)
Reporting Period	Period from 1 January 2023 to 31 December 2023
SASAC	State-owned Assets Supervision and Administration Commission of the State Council
Securities Law	The Securities Law of the PRC
SSE	Shanghai Stock Exchange
SSE Listing Rules	The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
Stock Exchange/ Hong Kong Stock Exchange/HKSE	The Stock Exchange of Hong Kong Limited
The Offering/A Share Offering	The public offering of RMB ordinary shares (A Shares) by the Company in 2021

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	Time of undertaking	Whether there is a term for performance	Term for undertakings	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	2021-08-20	Yes	36 months from the date of A Share listing of the Company	Yes	N/A	N/A
	Restricted tradable shares	Controlling shareholder, Guangdong Rising	Undertakings on intention to hold shares and intention to sell shares	2021-08-20	Yes	Long-term	Yes	N/A	N/A
	Resolving peer competition	Controlling shareholder	Non-competition undertaking	2021-08-20	Yes	Long-term	Yes	N/A	N/A
	Resolving related party transactions	Controlling shareholder, Guangdong Rising	Undertakings to regulate and reduce related party transactions	2021-08-20	Yes	Long-term	Yes	N/A	N/A
	Resolution of defects in property rights of land	Controlling shareholder	Loss-bearing commitment for defects in property rights of land	2021-08-20	Yes	Long-term	Yes	N/A	N/A
	Others	Controlling shareholder	Commitment to long-term use of trademark license	2021-08-20	Yes	Long-term	Yes	N/A	N/A
	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	2021-08-20	Yes	Within three years from the date of A Share listing of the Company	Yes	N/A	N/A
	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	2021-08-20	Yes	Long-term	Yes	N/A	N/A
	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	2021-08-20	Yes	Long-term	Yes	N/A	N/A
	Others	The Company, controlling shareholder, directors, supervisors and senior management	Undertaking on binding measures for the failure to perform the commitment	2021-08-20	Yes	Long-term	Yes	N/A	N/A
	Others	The Company	Undertaking on disclosure of shareholders' information	2021-08-20	Yes	Long-term	Yes	N/A	N/A
Others	Dividend	The Company	Undertaking on the profit distribution policy and the arrangement in relation to the accumulated profits	2021-08-20	Yes	Long-term	Yes	N/A	N/A

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Unit: 0'000 Currency: RMB

	Appointed
Name of the domestic accounting firm	PricewaterhouseCoopers Zhong Tian LLP
Remuneration of the domestic accounting firm	5,900
Duration of audit of the domestic accounting firm	3 years
Names of certified public accountants of the domestic accounting firm	Song Shuang, Liu Yuanbo
Duration of audit services provided by certified public accountants of the domestic accounting firm	Song Shuang (3 years), Liu Yuanbo (3 years)
Name of overseas accounting firm	PricewaterhouseCoopers
Duration of audit of the overseas accounting firm	3 years

	Name	Remuneration
Accounting firm for internal control auditing	PricewaterhouseCoopers Zhong Tian LLP	1,430

Note: The remuneration for internal control auditing is included in the remuneration of domestic and overseas accounting firms.

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3. MATERIAL CONNECTED TRANSACTIONS

(1) Continuing connected transactions

The following table sets out the amounts of the Group's continuing connected transactions for the year ended 31 December 2023:

TRANSACTIONS	Transaction amounts (RMB million)	Annual monetary cap for continuing connected transactions (RMB million)
(1) CONTINUING CONNECTED TRANSACTIONS ENTERED INTO BETWEEN THE GROUP AND CHINA TELECOMMUNICATIONS¹ AND/OR ITS ASSOCIATES (EXCLUDING THE GROUP)		
Engineering Framework Agreement		
Provision of engineering services by China Telecommunications and/or its associates	19,031	21,800
Ancillary Telecommunications Services Framework Agreement		
Provision of ancillary telecommunications services by China Telecommunications and/or its associates	22,627	27,500
Community Services Framework Agreement		
Provision of community services by China Telecommunications and/or its associates	4,526	5,500
Centralised Services Agreement		
Provision of centralised services by China Telecommunications and/or its associates	806	2,000
Provision of centralised services by the Group	3,909	4,400
Property and Land Use Right Leasing Framework Agreement		
Total value of right-of-use assets (for those leases of which the lease term exceeds 12 months) and interest of lease liabilities involved in the properties leased by the Group	702	800
Total value of other payments (including rent for those leases of which the lease term is no more than 12 months) involved in the properties leased by the Group	779	1,000
Amount payable for properties leased by China Telecommunications and/or its associates	60	120
IT Services Framework Agreement		
Provision of IT services by China Telecommunications and/or its associates	6,584	8,500
Provision of IT services by the Group	2,294	6,000

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TRANSACTIONS	Transaction amounts (RMB million)	Annual monetary cap for continuing connected transactions (RMB million)
Supplies Procurement Services Framework Agreement		
Provision of supplies procurement services by China Telecommunications and/or its associates	4,306	5,800
Provision of supplies procurement services by the Group	4,950	9,600
Internet Applications Channel Services Framework Agreement		
Provision of Internet applications channel services by the Group	62	900
Lease Financing Framework Agreement		
Provision of lease financing services by China Telecommunications and/or its associates	5,973	9,800
Telecommunications Resources Leasing Agreement		
Provision of telecommunications resources leasing services by China Telecommunications and/or its associates	517	770
(2) CONTINUING CONNECTED TRANSACTIONS ENTERED INTO BETWEEN CHINA TELECOM FINANCE AND THE GROUP, THE PARENT GROUP², THE CCS GROUP³, NEW GUOMAI GROUP⁴ AND SAFETY TECHNOLOGY GROUP⁵ RESPECTIVELY		
Maximum daily balance of deposits (including accrued interest) deposited by the Group with China Telecom Finance	37,839	60,000
Maximum daily loan and bill discounting balance (including accrued interest) provided by China Telecom Finance to the Parent Group	8,047	14,000
Maximum daily loan and bill discounting balance (including accrued interest) provided by China Telecom Finance to the CCS Group	—	1,000
Maximum daily loan and bill discounting balance (including accrued interest) provided by China Telecom Finance to New Guomai Group	—	1,500
Maximum daily loan and bill discounting balance (including accrued interest) provided by China Telecom Finance to Safety Technology Group	161	600
(3) CONTINUING CONNECTED TRANSACTIONS ENTERED INTO BETWEEN THE GROUP AND E-SURFING PAY AND ITS SUBSIDIARIES		
Payment and digital finance related services	994	1,500

Notes:

1. China Telecommunications refers to China Telecommunications Corporation, the Company's controlling shareholder which held approximately 63.90% of the issued share capital of the Company as at 31 December 2023.
2. The Parent Group refers to China Telecommunications Corporation, its associates and its commonly held entity held with the Group, excluding the Group, the CCS Group, New Guomai Group and Safety Technology Group.
3. The CCS Group refers to China Communications Services Corporation Limited and its subsidiaries.
4. New Guomai Group refers to New Guomai Digital Culture Co., Ltd ("New Guomai") and its subsidiaries.
5. Safety Technology Group refers to Beijing Global Safety Technology Co., Ltd ("Safety Technology") and its subsidiaries.

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Continuing connected transactions entered into among the Group and China Telecommunications and/or its associates (excluding the Group)

On 22 October 2021, the Company and China Telecommunications have entered into the Engineering Framework Agreement, the Ancillary Telecommunications Services Framework Agreement, the Community Services Framework Agreement, the Interconnection Settlement Agreement, the Centralised Services Agreement, the Property and Land Use Right Leasing Framework Agreement, the IT Services Framework Agreement, the Supplies Procurement Services Framework Agreement, the Internet Applications Channel Services Framework Agreement, the Lease Financing Framework Agreement, the Telecommunications Resources Leasing Agreement, the Trademark License Agreement and the Intellectual Property License Framework Agreement (the "Agreements") with a term from 1 January 2022 to 31 December 2024. China Telecommunications is the controlling shareholder of the Company. Accordingly, pursuant to Chapter 14A of the Listing Rules, China Telecommunications is a connected person of the Company and the transactions contemplated under each of the Agreements constitute continuing connected transactions of the Company.

As certain applicable percentage ratios (excluding the profits ratio) of the annual caps (before adjustment) for the transactions contemplated under the Engineering Framework Agreement and the Ancillary Telecommunications Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeded 5%, such continuing connected transactions are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The independent shareholders of the Company considered and approved the Engineering Framework Agreement and the Ancillary Telecommunications Services Framework Agreement and the annual caps applicable thereto at the extraordinary general meeting of the Company held on 30 November 2021.

As certain applicable percentage ratios (excluding the profits ratio) of the annual caps for the transactions contemplated under the Community Services Framework Agreement, the Centralised Services Agreement, the Property and Land Use Right Leasing Framework Agreement, the IT Services Framework Agreement, the Supplies Procurement Services Framework Agreement, the Internet Applications Channel Services Framework Agreement, the Lease Financing Framework Agreement and the Telecommunications Resources Leasing Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 0.1% but is less than 5%, such continuing connected transactions are only subject to the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (excluding the profits ratio) of the annual caps for the transactions contemplated under the Interconnection Settlement Agreement, the Trademark License Agreement and the Intellectual Property License Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such continuing connected transactions are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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On 20 October 2023, the Board passed resolutions to approve, among others, the revised annual caps in respect of continuing connected transactions contemplated under the Engineering Framework Agreement, the IT Services Framework Agreement, the Supplies Procurement Services Framework Agreement and the Property and Land Use Right Leasing Framework Agreement for the two years ended/ending 31 December 2023 and 2024 (the "Revised Annual Caps"). All other terms and conditions of such agreements shall remain unchanged and valid. As the applicable percentage ratios (excluding the profits ratio) of the Revised Annual Caps which are applicable to the transactions contemplated under these agreements exceed 0.1% but are less than 5%, the Revised Annual Caps are only subject to the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Set out below are the Revised Annual Caps. Please refer to the announcement published by the Company on 20 October 2023 in relation to revision of annual caps for continuing connected transactions for details.

Types of Continuing Connected Transactions	Original Annual Caps (RMB million)		Revised Annual Caps (RMB million)	
	For the year ended 31 December 2023	For the year ending 31 December 2024	For the year ended 31 December 2023	For the year ending 31 December 2024
The Engineering Framework Agreement	19,000	19,000	21,800	23,500
Amounts payable by the Group in respect of the IT services received under the IT Services Framework Agreement	6,200	7,500	8,500	10,000
Amounts payable by China Telecommunications and/or its associates in respect of the IT services provided by the Group under the IT Services Framework Agreement	2,800	3,900	6,000	7,700
Amount payable by the Group for the supplies procurement services provided by China Telecommunications and/or its associates under the Supplies Procurement Services Framework Agreement	5,250	5,500	5,800	6,100
Total value of right-of-use assets (for those leases of which the lease term exceeds 12 months) and interest of lease liabilities involved in the properties leased by the Group under the Property and Land Use Right Leasing Framework Agreement	550	600	800	1,000
Total value of other payments (including rent for those leases of which the lease term is no more than 12 months) involved in the properties leased by the Group under the Property and Land Use Right Leasing Framework Agreement	800	860	1,000	1,150

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Details of the Agreements are shown below:

Engineering Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Engineering Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Engineering Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Engineering Framework Agreement, China Telecommunications and/or its associates provide to the Group services such as engineering design, engineering construction and/or engineering supervision services. The charges payable for such engineering services shall be determined by reference to market rates. Market rates shall mean the rates at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Engineering Framework Agreement represents market rates, to the extent practicable, management of the Company shall take into account the rates of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business over the corresponding period for reference. According to applicable laws, the charges payable for the design or supervision of engineering projects with a value of over RMB1,000,000 or engineering construction projects with a value of over RMB4,000,000 shall be the tender award price, which is determined in accordance with the "Bidding Law of the PRC" and the "Regulations on the Implementation of the Bidding Law of the PRC" or the final confirmed price in the relevant tender process. In the circumstances there are amended rules or regulations in respect of tender scope and scale of the engineering construction projects promulgated by PRC laws and regulations during the term of agreement, both parties agreed to apply such amended rules and regulations.

In terms of the same service provided under the Engineering Framework Agreement, the Group shall have the priority to use the services provided by China Telecommunications and/or its associates, if the terms and conditions offered by an independent third party to the Group are no better than those offered by China Telecommunications and/or its associates. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. However, if China Telecommunications and/or its associates fail to meet the Group's demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party.

Ancillary Telecommunications Services Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Ancillary Telecommunications Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Ancillary Telecommunications Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement. However, if the Group has to obtain the same type of services from a third party at a greater cost, China Telecommunications and/or its associates cannot terminate the provision of such services to the Group.

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Pursuant to the Ancillary Telecommunications Services Framework Agreement, China Telecommunications and/or its associates provide the Group with ancillary telecommunications services such as installation of telephones and residential telephone lines, repair of residential telephone lines, customer services, telecommunications terminal equipment, air conditioners and telephone booths, maintenance of fire equipment, production and consignment of sim cards and collection of telephone tariff on the Group's behalf. The charges payable for the services under the Ancillary Telecommunications Services Framework Agreement are calculated on the following basis:

- (1) market prices, which shall mean the prices at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Ancillary Telecommunications Services Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business over the corresponding period for reference;
- (2) where there is no or it is not possible to determine the market prices, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, "reasonable profit margin" is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the "reasonable profit margin" for any transaction under the Ancillary Telecommunications Services Framework Agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference.

In terms of the same service provided under the Ancillary Telecommunications Services Framework Agreement, the Group is entitled to accord priority to China Telecommunications and/or its associates to provide such service, if the terms and conditions offered by an independent third party to the Group are no better than those offered by China Telecommunications and/or its associates. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. However, if China Telecommunications and/or its associates fail to meet the Group's demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party.

Interconnection Settlement Agreement

On 22 October 2021, the Company and China Telecommunications Corporation have entered into the Interconnection Settlement Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Interconnection Settlement Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

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Pursuant to the Interconnection Settlement Agreement, both parties agree to achieve the interconnection between various types of telecommunications networks. The interconnection settlement charges will be calculated according to the "Notice Concerning the Issue of the Measures on Interconnection Settlement between Public Telecommunications Networks and Sharing of Relaying Fees" (Xin Bu Dian [2003] No. 454) promulgated by the Ministry of Information Industry of the PRC. The Ministry of Industry and Information Technology of the PRC may, from time to time, take into account the relevant regulatory rules and market conditions, amend or promulgate new rules or regulations in respect of interconnection settlement which will be announced on its official website at www.miit.gov.cn. If the Ministry of Industry and Information Technology of the PRC amends the existing, or promulgates new rules or regulations in respect of interconnection settlement, the parties shall apply such amended or new rules and regulations as acknowledged by both parties. The settlement regions include Tianjin Municipality, Hebei Province, Heilongjiang Province, Jilin Province, Liaoning Province, Shanxi Province, Henan Province, Shandong Province, Inner Mongolia Autonomous Region and Xizang Autonomous Region.

Community Services Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Community Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Community Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement. However, if the Group has to obtain the same type of services from a third party at a greater cost, China Telecommunications and/or its associates cannot terminate the provision of such services to the Group.

Pursuant to the Community Services Framework Agreement, China Telecommunications and/or its associates provide the Group with community services such as culture, education, property management, vehicle service, medical care, hotel and conference service, community and sanitary service. The community services under the Community Services Framework Agreement are provided at:

- (1) the prices and/or the fees standards under the agreement shall refer to market prices, which shall mean the prices at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Community Services Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business over the corresponding period for reference;
- (2) where there is no or it is not possible to determine the market prices, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, "reasonable profit margin" is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the "reasonable profit margin" for any transaction under the Community Services Framework Agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference.

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In terms of the same service under the Community Services Framework Agreement, the Group is entitled to accord priority to China Telecommunications and/or its associates to provide such service, if the terms and conditions offered by an independent third party to the Group are no better than those offered by China Telecommunications and/or its associates. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. However, if China Telecommunications and/or its associates fail to meet the Group's demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party.

Centralised Services Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Centralised Services Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Centralised Services Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to Centralised Services Agreement, centralised services include services provided by the Group to China Telecommunications and/or its associates in relation to key corporate customers, management and operational services such as network management and business support services, and the common use of international facilities by both parties.

In accordance with the Centralised Services Agreement, the aggregate costs incurred by the Group and China Telecommunications and/or its associates for the provision of management and operation services such as services in relation to key corporate customers, network management and business support services will be apportioned between the Group and China Telecommunications on a pro rata basis according to the revenues generated by each party. Associated costs, such as restoration maintenance costs when both parties use international facilities provided by third parties and accept services by such third parties and usage costs when both parties use the international facilities of China Telecommunications and/or its associates, shall be shared on a pro rata basis according to volume of the inbound and outbound voice calls to and from international regions, Hong Kong, Macau and Taiwan originating from each party divided by the proportion of the aggregate volume of the inbound and outbound voice calls to and from international regions, Hong Kong, Macau and Taiwan originating from both parties. When the two parties use international facilities provided by a third party and accept restoration maintenance costs, such fees shall be determined according to the actual utilisation fee of each year. The utilisation fee associated with the shared use of the international facilities provided by China Telecommunications and/or its associates shall be determined through negotiation between the two parties based on market rates. Market rates shall mean the rates at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Centralised Services Agreement represents market rates, to the extent practicable, management of the Company shall take into account the rates of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business in the corresponding period for reference.

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Property and Land Use Right Leasing Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Property and Land Use Right Leasing Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Property and Land Use Right Leasing Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Property and Land Use Right Leasing Framework Agreement, the Group and China Telecommunications and/or its associates can lease properties and/or land use right (the "Leased Properties") from the other party for conducting business activities according to the laws. The rental charges for the Leased Properties under the Property and Land Use Right Leasing Framework Agreement shall be agreed by both parties according to comparable market rates. Market rates shall mean the rental charges at which the same or similar type of the Leased Properties or adjacent Leased Properties are leased by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the rental charges for any Leased Property under the Property and Land Use Right Leasing Framework Agreement represents market rates, to the extent practicable, management of the Company shall take into account at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business in the corresponding period for reference.

IT Services Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the IT Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new IT Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the IT Services Framework Agreement, China Telecommunications and/or its associates and the Group can provide the other party with IT services, such as office automation, software testing, network upgrade, research and development on new businesses and development and upgrade of support systems. Each of the Group and China Telecommunications and/or its associates is entitled to provide services to the other party in accordance with the IT Services Framework Agreement. The charges payable for such services shall be determined by reference to market rates. Market rates shall mean the rates at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the IT Services Framework Agreement represents market rates, to the extent practicable, management of the Company shall take into account the rates of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business over the corresponding period for reference. In the circumstances where the relevant laws or regulations in the PRC specify that the prices and/or the fee standards for particular services to be provided pursuant to such agreement are to be determined by a tender process, the charges payable for such services shall be finally determined in accordance with the "Bidding Law of the PRC" and the "Regulations on the Implementation of the Bidding Law of the PRC" or the relevant tender procedures.

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In terms of the same service under the IT Services Framework Agreement, the Group is entitled to accord priority to China Telecommunications and/or its associates to provide such service, if the terms and conditions offered by an independent third party to the Group are no better than those offered by China Telecommunications and/or its associates. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. If China Telecommunications and/or its associates fail to meet the Group's demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party. Where the above tender process is applicable, the Group does not accord any priority to China Telecommunications and/or its associates to provide such services, and the tender may be awarded to an independent third party. However, if the terms of an offer from China Telecommunications and/or its associates are at least as favourable as those offered by other tenderers, the Group is entitled to award the tender to China Telecommunications and/or its associates.

Supplies Procurement Services Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Supplies Procurement Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Supplies Procurement Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Supplies Procurement Services Framework Agreement, China Telecommunications and/or its associates and the Group provide each other with supplies procurement services, including procurement services for imported telecommunications supplies, domestic telecommunications supplies and domestic non-telecommunications supplies, the sale of proprietary telecommunications equipment, resale of third-party equipment, management of tenders, verification of technical specifications, storage and transportation and installation services.

Where the procurement services are provided on an agency basis, the fees shall be paid in commission which shall be calculated at:

- (1) not more than 1% of the contract value for the procurement of imported telecommunications supplies; or
- (2) not more than 3% of the contract value for the procurement of domestic telecommunications supplies and domestic non-telecommunications supplies.

The services for the provision of supplies procurement other than on an agency basis under the Supplies Procurement Services Framework Agreement are provided at:

- (1) market prices, which shall mean the prices at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Supplies Procurement Services Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business in the corresponding period for reference;

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- (2) where there is no or it is not possible to determine the market prices, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, "reasonable profit margin" is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the "reasonable profit margin" for any transaction under the Supplies Procurement Services Framework Agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference.

In terms of the same service under the Supplies Procurement Services Framework Agreement, the Group is entitled to accord priority to China Telecommunications and/or its associates to provide such service, if the terms and conditions of services offered by China Telecommunications and/or its associates are at least as favourable as those offered by an independent third party to the Group. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. If China Telecommunications and/or its associates fail to meet the Group's demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party.

Internet Applications Channel Services Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Internet Applications Channel Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Internet Applications Channel Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Internet Applications Channel Services Framework Agreement, the Group provides Internet applications channel services to China Telecommunications and/or its associates. The channel services mainly include the provision of telecommunications channel and applications support platform, provision of billing and deduction services, coordination of sales promotion and development of customers services, etc.

The charges payable for the services under the Internet Applications Channel Services Framework Agreement are calculated on the following basis:

- (1) the prices and/or the fees standards under the agreement shall refer to market prices, which shall mean the prices at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Internet Applications Channel Services Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business in the corresponding period for reference;

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- (2) where there is no or it is not possible to determine the market prices, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, "reasonable profit margin" is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the "reasonable profit margin" for any transaction under the Internet Applications Channel Services Framework Agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference.

In terms of the same service under the Internet Applications Channel Services Framework Agreement, China Telecommunications and/or its associates is entitled to accord priority to the Group to provide such service, if the terms and conditions offered by an independent third party to China Telecommunications are no better than those offered by the Group. The Group undertake to China Telecommunications and/or its associates that the Group will not provide services to China Telecommunications and/or its associates which are less favourable than the terms offered by the Group to a third party. The Group is entitled to provide relevant services to a third party only if the services provided to China Telecommunications and/or its associates under the agreement are not affected. However, if the Group fails to meet the demand of China Telecommunications and/or its associates under the agreement or terms offered by an independent third party are more favourable than those offered by the Group, China Telecommunications and/or its associates is entitled to obtain such service from an independent third party.

Lease Financing Framework Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Lease Financing Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Lease Financing Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Lease Financing Framework Agreement, China Telecommunications and/or its associates provides the Group with lease financing services including sale and leaseback, direct lease, etc. and the associated lease financing consulting services.

The pricing policies of the lease financing services under the Lease Financing Framework Agreement are set out below:

The fees charged by China Telecommunications and/or its associates shall comply with the relevant standards promulgated by the People's Bank of China or China Banking and Insurance Regulatory Commission ("CBIRC") (if applicable) with reference to the standards of fees charged by major lease financing companies in cooperation with the Group for the same type of services provided to the Group on normal commercial terms or better. Such fees shall be equal to or lower than those of other major lease financing companies in cooperation with the Group.

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In terms of the same service under the Lease Financing Framework Agreement, the Group is entitled to accord priority to China Telecommunications and/or its associates to provide such service, if the terms and conditions of services offered by China Telecommunications and/or its associates are at least as favourable as those offered by an independent third party to the Group. China Telecommunications and/or its associates undertake to the Group that China Telecommunications and/or its associates will not provide services to the Group which are less favourable than the terms offered by China Telecommunications and/or its associates to a third party. China Telecommunications and/or its associates are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. However, if China Telecommunications and/or its associates fail to meet the Group's demand under the agreement or terms offered by an independent third party are more favourable than those offered by China Telecommunications and/or its associates, the Group is entitled to obtain such service from an independent third party.

Telecommunications Resources Leasing Agreement

On 22 October 2021, the Company and China Telecommunications have entered into the Telecommunications Resources Leasing Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Telecommunications Resources Leasing Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Telecommunications Resources Leasing Agreement, the Group leases telecommunications resources including transmission network telecommunications resources, wireless network telecommunications resources, wireline access network telecommunications resources, etc. from China Telecommunications and/or its associates.

The rental charges for the leasing of telecommunications resources from China Telecommunications and/or its associates are based on the annual depreciation charges and determined with reference to market prices as agreed by both parties. When determining the fee standard or reasonable profit margin, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference. The Group carries out maintenance of the leased telecommunications resources in accordance with the relevant procedures and standards as confirmed by both parties. Such maintenance fees shall be borne by the Group.

Trademark License Agreement

On 22 October 2021, the Company and China Telecommunications Corporation have entered into the Trademark License Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Trademark License Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Trademark License Agreement, China Telecommunications Corporation and/or its associates grants the Group the license for the use of the trademarks with trademark registration certificates as registered by China Telecommunications Corporation and/or its associates at China National Intellectual Property Administration of the State Administration for Market Supervision and the trademarks for which China Telecommunications Corporation and/or its associates is applying to China National Intellectual Property Administration of the State Administration for Market Supervision for registration and has not obtained trademark registration certificates yet. During the term of the agreement, China Telecommunications Corporation and/or its associates will not charge the Group any royalty fee for the grant of trademark license.

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SIGNIFICANT EVENTS**Intellectual Property License Framework Agreement**

On 22 October 2021, the Company and China Telecommunications Corporation have entered into the Intellectual Property License Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Intellectual Property License Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement.

Pursuant to the Intellectual Property License Framework Agreement, each of the Group or China Telecommunications Corporation and/or its associates is entitled to grant to the other party the license for the use of intellectual property (excluding trademarks). Royalty fee for such license shall be determined by both parties based on market prices, which shall mean the prices to be determined on normal commercial terms and by the following mechanism: the royalty fee at which the same or similar type of intellectual property licenses are provided by Independent Third Parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Intellectual Property License Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by Independent Third Parties in the ordinary course of business in the corresponding period for reference. Where there is no or it is not possible to determine the market prices according to the pricing and/or fee standards under the agreement in the course of performing the agreement, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, "reasonable profit margin" is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the "reasonable profit margin" for any transaction under the agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with Independent Third Parties in the corresponding period or the relevant industry profit margin for reference.

Continuing connected transactions entered into between China Telecom Finance and the Group, the Parent Group, the CCS Group, New Guomai Group and Safety Technology Group respectively

On 22 October 2021, China Telecom Finance entered into the financial services framework agreement with each of the Company, China Telecommunications (together with its associates and its commonly held entity held with the Group, excluding the Group, the CCS Group, New Guomai Group and Safety Technology Group, the "Parent Group"), CCS (together with its subsidiaries, "CCS Group"), New Guomai (together with its subsidiaries, "New Guomai Group") and Safety Technology (together with its subsidiaries, "Safety Technology Group"). As China Telecommunications is the Company's controlling shareholder, and CCS, New Guomai and Safety Technology are subsidiaries of China Telecommunications, pursuant to Chapter 14A of the Listing Rules, China Telecommunications, CCS, New Guomai and Safety Technology and/or their associates are connected persons of the Company. As the Company holds 70% of the issued share capital of China Telecom Finance, China Telecom Finance is a subsidiary of the Company. Meanwhile, China Telecommunications and CCS each respectively holds 15% of the issued share capital of China Telecom Finance. Pursuant to Chapter 14A of the Listing Rules, China Telecom Finance is a connected subsidiary of the Company and an associate of China Telecommunications, CCS, New Guomai and Safety Technology, which is also a connected person of the Company. Accordingly, the transactions under the respective Financial Services Framework Agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

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China Telecom Financial Services Framework Agreement entered into between the Company and China Telecom Finance

On 22 October 2021, the Company and China Telecom Finance entered into the financial services framework agreement ("China Telecom Financial Services Framework Agreement"). Pursuant to the agreement, China Telecom Finance agreed to provide financial services to the Group, including deposit services, loan and bill discounting services and other financial services.

As each of the applicable percentage ratios of the annual caps for the deposit services provided by China Telecom Finance to the Group under the China Telecom Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 5% but is less than 25%, such continuing connected transaction is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapters 14A of the Listing Rules. The independent shareholders of the Company considered and approved the deposit services and the applicable annual caps under the China Telecom Financial Services Framework Agreement at the extraordinary general meeting of the Company held on 30 November 2021.

As the loan and bill discounting services provided by China Telecom Finance to the Group under the China Telecom Financial Services Framework Agreement are conducted on normal commercial terms or better and the relevant loan and bill discounting services will not be secured by the assets of the Group, such loan and bill discounting services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the service fees of other financial services provided by China Telecom Finance to the Group under the China Telecom Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such other financial services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pricing Policy

(i) Deposit Services

The deposit interest rates offered by China Telecom Finance to the Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the deposit benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the deposit interest rates of the same type of deposit services for the same period offered by the major cooperative commercial banks of the Group and are conducted on normal commercial terms or better. The deposit interest rates offered shall be equivalent to or higher than those offered by the major cooperative commercial banks of the Group. Under the same conditions, the interest rates and terms for the deposit services offered by China Telecom Finance to the Group shall be the same as those interest rates and terms of the same type of deposit services for the same period offered by China Telecom Finance to other member units.

(ii) Loan and Bill Discounting Services

The loan interest rates and the bill discounting interest rates offered by China Telecom Finance to the Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the loan benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the interest rates of the same type of loan services and bill discounting services for the same period offered by the major cooperative commercial banks of the Group and are conducted on normal commercial terms or better. The loan interest rates and the bill discounting interest rates offered shall be equivalent to or lower than those offered by the major cooperative commercial banks of the Group. Under the same conditions, the interest rates and terms for the loan and bill discounting services offered by China Telecom Finance to the Group shall be the same as those interest rates and terms of the same type of loan services and bill discounting services for the same period offered by China Telecom Finance to other member units.

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The above loan and bill discounting services provided by China Telecom Finance to the Group do not require the Group to pledge any security over its assets or make other arrangements for the loan and bill discounting services as guarantee.

(iii) Other Financial Services

China Telecom Finance provides other financial services (other than deposit, loan and bill discounting services) including financial and financing advice, credit authentication, guarantees, acceptance of bills, internal fund transfer and settlement and designs of relevant settlement and clearance arrangement proposals to the Group under the China Telecom Financial Services Framework Agreement.

The fees charged for other financial services provided by China Telecom Finance to the Group mentioned above shall comply with the fees standard promulgated by regulatory departments including the People's Bank of China or the CBIRC (if applicable), and be with reference to the handling fees standard for the same type of other financial services charged by the major cooperative commercial banks of the Group and are conducted on normal commercial terms or better. The handling fees standard shall be equivalent to or lower than those charged by the major cooperative commercial banks of the Group. Under the same conditions, the fees standard charged to the Group by China Telecom Finance shall be the same as those fees standard for the same type of other financial services charged by China Telecom Finance to other member units.

For the respective specific transactions under the China Telecom Financial Services Framework Agreement entered into between the Company and China Telecom Finance, under the same conditions, the Group should, in principle, choose the services provided by China Telecom Finance. If the Group considers it is appropriate and beneficial to the Group, the Group has the discretion to engage one or more major cooperative commercial banks of the Group as its financial services providers.

The China Telecom Financial Services Framework Agreement became effective from 1 January 2022 and will expire on 31 December 2024. Subject to the compliance of relevant laws and regulations and relevant regulatory requirements, both parties would negotiate and agree on the renewal arrangement.

China Telecommunications Corporation Financial Services Framework Agreement entered into between China Telecom Finance and China Telecommunications

On 22 October 2021, China Telecom Finance and China Telecommunications have entered into the financial services framework agreement ("China Telecommunications Corporation Financial Services Framework Agreement"). Pursuant to the agreement, China Telecom Finance agreed to provide financial services to the Parent Group, including deposit services, loan and bill discounting services and other financial services.

As the deposit services provided by China Telecom Finance to the Parent Group under the China Telecommunications Corporation Financial Services Framework Agreement are conducted on normal commercial terms or better and the relevant deposit services will not be secured by the assets of the Group, such deposit services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the loan and bill discounting services provided by China Telecom Finance to the Parent Group under the China Telecommunications Corporation Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 0.1% but is less than 5%, such loan and bill discounting services are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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As each of the applicable percentage ratios of the annual caps for the service fees of other financial services provided by China Telecom Finance to the Parent Group under the China Telecommunications Corporation Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such other financial services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pricing Policy

(i) Deposit Services

The deposit interest rates offered by China Telecom Finance to the Parent Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the deposit benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the deposit interest rates of the same type of deposit services for the same period offered by the major cooperative commercial banks of the Parent Group and are conducted on normal commercial terms or better. The deposit interest rates offered shall be equivalent to or higher than those offered by the major cooperative commercial banks of the Parent Group. Under the same conditions, the interest rates and terms for the deposit services offered by China Telecom Finance to the Parent Group shall be the same as those interest rates and terms of the same type of deposit services for the same period offered by China Telecom Finance to other member units.

(ii) Loan and Bill Discounting Services

The loan interest rates and the bill discounting interest rates offered by China Telecom Finance to the Parent Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the loan benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the interest rates of the same type of loan services and bill discounting services for the same period offered by the major cooperative commercial banks of the Parent Group and are conducted on normal commercial terms or better. The loan interest rates and the bill discounting interest rates offered shall be equivalent to or lower than those offered by the major cooperative commercial banks of the Parent Group. Under the same conditions, the interest rates and terms for the loan and bill discounting services offered by China Telecom Finance to the Parent Group shall be the same as those interest rates and terms of the same type of loan services and bill discounting services for the same period offered by China Telecom Finance to other member units.

The above loan and bill discounting services provided by China Telecom Finance to the Parent Group do not require the Parent Group to pledge any security over its assets or make other arrangements for the loan and bill discounting services as guarantee.

(iii) Other Financial Services

China Telecom Finance provides other financial services (other than deposit, loan and bill discounting services) including financial and financing advice, credit authentication, acceptance of bills, internal fund transfer and settlement and designs of relevant settlement and clearance arrangement proposals to the Parent Group under the China Telecommunications Corporation Financial Services Framework Agreement.

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The fees charged for other financial services provided by China Telecom Finance to the Parent Group mentioned above shall comply with the fees standard promulgated by regulatory departments including the People's Bank of China or the CBIRC (if applicable), and be with reference to the handling fees standard for the same type of other financial services charged by the major cooperative commercial banks of the Parent Group and are conducted on normal commercial terms or better. The handling fees standard shall be equivalent to or lower than those charged by the major cooperative commercial banks of the Parent Group. Under the same conditions, the fees standard charged to the Parent Group by China Telecom Finance shall be the same as those fees standard for the same type of other financial services charged by China Telecom Finance to other member units.

For the respective specific transactions under the China Telecommunications Corporation Financial Services Framework Agreement entered into between China Telecommunications and China Telecom Finance, under the same conditions, the Parent Group should, in principle, choose the services provided by China Telecom Finance. If the Parent Group considers it is appropriate and beneficial to the Parent Group, the Parent Group has the discretion to engage one or more major cooperative commercial banks of the Parent Group as its financial services providers.

The China Telecommunications Corporation Financial Services Framework Agreement became effective from 1 January 2022 and will expire on 31 December 2024. Subject to the compliance of relevant laws and regulations and relevant regulatory requirements, both parties would negotiate and agree on the renewal arrangement.

CCS Financial Services Framework Agreement entered into between China Telecom Finance and CCS

On 22 October 2021, China Telecom Finance and CCS have entered into the financial services framework agreement ("CCS Financial Services Framework Agreement"). Pursuant to the agreement, China Telecom Finance agreed to provide financial services to the CCS Group, including deposit services, loan and bill discounting services and other financial services.

As the deposit services provided by China Telecom Finance to the CCS Group under the CCS Financial Services Framework Agreement are conducted on normal commercial terms or better and the relevant deposit services will not be secured by the assets of the Group, such deposit services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for loan and bill discounting services provided by China Telecom Finance to the CCS Group under the CCS Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 0.1% but is less than 5%, such loan and bill discounting services are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the service fees of other financial services provided by China Telecom Finance to the CCS Group under the CCS Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such other financial services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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Pricing Policy

(i) Deposit Services

The deposit interest rates offered by China Telecom Finance to the CCS Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the deposit benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the deposit interest rates of the same type of deposit services for the same period offered by the major cooperative commercial banks of the CCS Group and are conducted on normal commercial terms or better. The deposit interest rates offered shall be equivalent to or higher than those offered by the major cooperative commercial banks of the CCS Group. Under the same conditions, the interest rates and terms for the deposit services offered by China Telecom Finance to the CCS Group shall be the same as those interest rates and terms of the same type of deposit services for the same period offered by China Telecom Finance to other member units.

(ii) Loan and Bill Discounting Services

The loan interest rates and the bill discounting interest rates offered by China Telecom Finance to the CCS Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the loan benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the interest rates of the same type of loan services and bill discounting services for the same period offered by the major cooperative commercial banks of the CCS Group and are conducted on normal commercial terms or better. The loan interest rates and the bill discounting interest rates offered shall be equivalent to or lower than those offered by the major cooperative commercial banks of the CCS Group. Under the same conditions, the interest rates and terms for the loan and bill discounting services offered by China Telecom Finance to the CCS Group shall be the same as those interest rates and terms of the same type of loan services and bill discounting services for the same period offered by China Telecom Finance to other member units.

The above loan and bill discounting services provided by China Telecom Finance to the CCS Group do not require the CCS Group to pledge any security over its assets or make other arrangements for the loan and bill discounting services as guarantee.

(iii) Other Financial Services

China Telecom Finance provides other financial services (other than deposit, loan or bill discounting services) including financial and financing advice, credit authentication, acceptance of bills, internal fund transfer and settlement and designs of relevant settlement and clearance arrangement proposals to the CCS Group under the CCS Financial Services Framework Agreement.

The fees charged for other financial services provided by China Telecom Finance to the CCS Group mentioned above shall comply with the fees standard promulgated by regulatory departments including the People's Bank of China or the CBIRC (if applicable), and be with reference to the handling fees standard for the same type of other financial services charged by the major cooperative commercial banks of the CCS Group and are conducted on normal commercial terms or better. The handling fees standard shall be equivalent to or lower than those charged by the major cooperative commercial banks of the CCS Group. Under the same conditions, the fees standard charged to the CCS Group by China Telecom Finance shall be the same as those fees standard for the same type of other financial services charged by China Telecom Finance to other member units.

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For the respective specific transactions under the CCS Financial Services Framework Agreement entered into between CCS and China Telecom Finance, provided that it is in compliance with the terms and conditions of the CCS Financial Services Framework Agreement, China Telecom Finance will be appointed as one of the financial institutions providing financial services to the CCS Group. Prior to the signing of any specific agreement with China Telecom Finance in respect of respective transactions under the CCS Financial Services Framework Agreement, the CCS Group will compare the interest rates and terms or fees charged and other relevant transactions terms offered by China Telecom Finance with those interest rates and terms of the same type of deposit or loan services for the same period or fees charged and other relevant transaction terms for the same type of financial services offered by the major cooperative commercial banks of the CCS Group. Only when the interest rates and terms or fees charged or other relevant transactions terms offered by China Telecom Finance are equivalent to or better than those interest rates and terms offered or fees charged or other relevant transactions terms (e.g. transaction approval terms, procedures or time limit, etc) offered by the major cooperative commercial banks of the CCS Group, the CCS Group has the discretion to enter into the transactions with China Telecom Finance. Under the circumstances which the CCS Group considers appropriate, the CCS Group may engage additional or other financial institutions other than China Telecom Finance to provide financial services.

The CCS Financial Services Framework Agreement became effective from 1 January 2022 and will expire on 31 December 2024. Subject to the compliance of relevant laws and regulations and relevant regulatory requirements, both parties would negotiate and agree on the renewal arrangement.

New Guomai Financial Services Framework Agreement entered into between China Telecom Finance and New Guomai

On 22 October 2021, China Telecom Finance and New Guomai have entered into the financial services framework agreement ("New Guomai Financial Services Framework Agreement"). Pursuant to the agreement, China Telecom Finance agreed to provide financial services to New Guomai Group, including deposit services, loan and bill discounting services and other financial services.

As the deposit services provided by China Telecom Finance to New Guomai Group under the New Guomai Financial Services Framework Agreement are conducted on normal commercial terms or better and the relevant deposit services will not be secured by the assets of the Group, such deposit services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the loan and bill discounting services provided by China Telecom Finance to New Guomai Group under the New Guomai Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 0.1% but is less than 5%, such loan and bill discounting services are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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As each of the applicable percentage ratios of the annual caps for the service fees of other financial services provided by China Telecom Finance to New Guomai Group under the New Guomai Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such other financial services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pricing Policy

(i) Deposit Services

The deposit interest rates offered by China Telecom Finance to the New Guomai Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the deposit benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the deposit interest rates of the same type of deposit services for the same period offered by the major cooperative commercial banks of the New Guomai Group and are conducted on normal commercial terms or better. The deposit interest rates offered shall be equivalent to or higher than those offered by the major cooperative commercial banks of the New Guomai Group. Under the same conditions, the interest rates and terms for the deposit services offered by China Telecom Finance to the New Guomai Group shall be the same as those interest rates and terms of the same type of deposit services for the same period offered by China Telecom Finance to other member units.

(ii) Loan and Bill Discounting Services

The loan interest rates and the bill discounting interest rates offered by China Telecom Finance to the New Guomai Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the loan benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the interest rates of the same type of loan services and bill discounting services for the same period offered by the major cooperative commercial banks of the New Guomai Group and are conducted on normal commercial terms or better. The loan interest rates and the bill discounting interest rates offered shall be equivalent to or lower than those offered by the major cooperative commercial banks of the New Guomai Group. Under the same conditions, the interest rates and terms for the loan and bill discounting services offered by China Telecom Finance to the New Guomai Group shall be the same as those interest rates and terms of the same type of loan services and bill discounting services for the same period offered by China Telecom Finance to other member units.

The above loan and bill discounting services provided by China Telecom Finance to the New Guomai Group do not require the New Guomai Group to pledge any security over its assets or make other arrangements for the loan and bill discounting services as guarantee.

(iii) Other Financial Services

China Telecom Finance provides other financial services (other than deposit, loan or bill discounting services) including financial and financing advice, credit authentication, acceptance of bills, internal fund transfer and settlement and designs of relevant settlement and clearance arrangement proposals to the New Guomai Group under the New Guomai Financial Services Framework Agreement.

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The fees charged for other financial services provided by China Telecom Finance to the New Guomai Group mentioned above shall comply with the fees standard promulgated by regulatory departments including the People's Bank of China or the CBIRC (if applicable), and be with reference to the handling fees standard for the same type of other financial services charged by the major cooperative commercial banks of the New Guomai Group and are conducted on normal commercial terms or better. The handling fees standard shall be equivalent to or lower than those charged by the major cooperative commercial banks of the New Guomai Group. Under the same conditions, the fees standard charged to the New Guomai Group by China Telecom Finance shall be the same as those fees standard for the same type of other financial services charged by China Telecom Finance to other member units.

The New Guomai has the discretion to choose other financial institutions to provide financial services. For the respective specific transactions under the New Guomai Financial Services Framework Agreement entered into between New Guomai and China Telecom Finance and under the same conditions, the New Guomai Group shall, in principle, take the financial services provided by China Telecom Finance as priority. Under the circumstances which the New Guomai Group considers appropriate and beneficial to the New Guomai Group, the New Guomai Group may engage one or more financial institutions which are the major cooperative commercial banks of the New Guomai Group to provide financial services.

The New Guomai Financial Services Framework Agreement became effective from 1 January 2022 and will expire on 31 December 2024. Subject to the compliance of relevant laws and regulations and relevant regulatory requirements, both parties would negotiate and agree on the renewal arrangement.

Safety Technology Financial Services Framework Agreement entered into between China Telecom Finance and Safety Technology

On 22 October 2021, China Telecom Finance and Safety Technology have entered into the financial services framework agreement ("Safety Technology Financial Services Framework Agreement"). Pursuant to the agreement, China Telecom Finance agreed to provide financial services to Safety Technology Group, including deposit services, loan and bill discounting services and other financial services.

As the deposit services provided by China Telecom Finance to Safety Technology Group under the Safety Technology Financial Services Framework Agreement are conducted on normal commercial terms or better and the relevant deposit services will not be secured by the assets of the Group, such deposit services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the loan and bill discounting services provided by China Telecom Finance to Safety Technology Group under the Safety Technology Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 exceeds 0.1% but is less than 5%, such loan and bill discounting services are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios of the annual caps for the service fees of other financial services provided by China Telecom Finance to Safety Technology Group under the Safety Technology Financial Services Framework Agreement for each of the years ended 31 December 2022, 2023 and 2024 is less than 0.1%, such other financial services are exempt from all reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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Pricing Policy

(i) Deposit Services

The deposit interest rates offered by China Telecom Finance to the Safety Technology Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the deposit benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the deposit interest rates of the same type of deposit services for the same period offered by the major cooperative commercial banks of the Safety Technology Group and are conducted on normal commercial terms or better. The deposit interest rates offered shall be equivalent to or higher than those offered by the major cooperative commercial banks of the Safety Technology Group. During the term of the agreement, the maximum daily balance of deposits (including accrued interest) to be deposited by Safety Technology Group with China Telecom Finance shall not exceed the maximum caps (including accrued interest) reviewed by the shareholders' meeting of Safety Technology. In the event that Safety Technology Group's deposits with China Telecom Finance exceeds the maximum caps due to settlement and other reasons, Safety Technology Group shall confirm the remittance of funds on deposits that exceed the maximum caps to the designated bank account by issuing a legally valid written notice to China Telecom Finance within three working days. China Telecom Finance shall complete the remittance of the due amount in accordance with the confirmation on such written notice by the Safety Technology Group within three working days.

(ii) Loan and Bill Discounting Services

The loan interest rates and the bill discounting interest rates offered by China Telecom Finance to the Safety Technology Group shall comply with the relevant requirements of the People's Bank of China and be with reference to the loan benchmark interest rates promulgated by the People's Bank of China from time to time (if any) and the interest rates of the same type of loan services for the same period and bill discounting services for the same period offered by the major cooperative commercial banks of the Safety Technology Group, and are conducted on normal commercial terms or better. During the term of the agreement, the maximum daily balance of loan and bill discounting (including accrued interest) provided by China Telecom Finance to Safety Technology shall not exceed the maximum caps reviewed by the shareholders' meeting of Safety Technology. The terms for loan and bill discounting services offered by China Telecom Finance to the Safety Technology Group shall be equivalent to or better than those offered on normal commercial terms or better.

(iii) Other Financial Services

China Telecom Finance provides other financial services (other than deposit, loan and bill discounting services) including financial and financing advice, credit authentication, acceptance of bills, internal fund transfer and settlement and designs of relevant settlement and clearance arrangement proposals to the Safety Technology Group under the Safety Technology Financial Services Framework Agreement.

The fees charged for other financial services provided by China Telecom Finance to the Safety Technology Group mentioned above shall comply with the fees standard promulgated by regulatory departments including the People's Bank of China or the CBIRC (if applicable), and be with reference to the handling fees standard for the same type of other financial services charged by the major cooperative commercial banks of the Safety Technology Group and are conducted on normal commercial terms or better. The handling fees standard shall be equivalent to or lower than those charged by the major cooperative commercial banks of the Safety Technology Group.

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The Safety Technology has the discretion to choose financial services provided by other financial institutions. For the respective specific transactions under the Safety Technology Financial Services Framework Agreement entered into between Safety Technology Group and China Telecom Finance and under the same conditions, the Safety Technology Group shall, in principle, take the financial services provided by China Telecom Finance as priority. Under the circumstances which the Safety Technology Group considers appropriate and beneficial to the Safety Technology Group, the Safety Technology Group may engage one or more financial institutions which are the major cooperative commercial banks of the Safety Technology Group to provide financial services.

The Safety Technology Financial Services Framework Agreement became effective from 1 January 2022 and will expire on 31 December 2024. Subject to the compliance of relevant laws and regulations and relevant regulatory requirements, both parties would negotiate and agree on the renewal arrangement.

Continuing connected transactions entered into between the Group and E-surfing Pay and its subsidiaries**Payment and Digital Finance Related Services Framework Agreement**

On 22 October 2021, the Company and E-surfing Pay have entered into the Payment and Digital Finance Related Services Framework Agreement with a term from 1 January 2022 to 31 December 2024. Prior to the expiry of the agreement, the parties are entitled to negotiate the signing of a new Payment and Digital Finance Related Services Framework Agreement or a supplemental agreement to ensure the normal operation of the production and businesses of both parties after the expiry of the agreement. However, if the Group has to obtain the same type of services from a third party at a greater cost, E-surfing Pay and its subsidiaries cannot terminate the provision of such services to the Group.

Pursuant to the Payment and Digital Finance Related Services Framework Agreement, E-surfing Pay and its subsidiaries provides payment and digital finance related services to the Group. The service scope includes the recharged payment services as well as the issuance and operation and settlement services for rechargeable payment cards such as 11888 card; internet payment services and mobile phone payment services; bank card payment and barcode payment services; issuance and handling services for prepaid cards; bill payment and other integrated payment enabled services; establishment and maintenance services of the payment system of the Group's subscribers; other related payment and digital finance services within the scope of businesses permitted by or as filed with the relevant regulatory authorities; and the establishment, operation, expansion and maintenance services for fundamental capabilities and systems in fulfilment of the aforesaid services.

In term of the same service provided under the Payment and Digital Finance Related Services Framework Agreement, if the terms and conditions offered by an independent third party to the Group are no better than those offered by the E-surfing Pay and its subsidiaries, E-surfing Pay and its subsidiaries shall have the priority to provide such services to the Group under the same conditions. E-surfing Pay and its subsidiaries undertake to the Group that E-surfing Pay and its subsidiaries will not provide services to the Group which are less favourable than the terms offered by E-surfing Pay and its subsidiaries to a third party. E-surfing Pay and its subsidiaries are entitled to provide relevant services to a third party only if the services provided to the Group under the agreement are not affected. If E-surfing Pay and its subsidiaries fail to meet the Group's demand under the agreement, or if an independent third party offers more favourable terms than E-surfing Pay and its subsidiaries do, the Group may obtain such services from an independent third party.

SECTION VI SIGNIFICANT EVENTS

Pursuant to Chapter 14A of the Listing Rules, as China Telecommunications is the Company's controlling shareholder, holding approximately 64.53% of the issued share capital of E-surfing Pay as of the date on which the Payment and Digital Finance Related Services Framework Agreement was entered into, China Telecommunications and E-surfing Pay are connected persons of the Company and the transactions contemplated under the Payment and Digital Finance Related Services Framework Agreement constitute continuing connected transactions of the Company.

As each of the applicable percentage ratios (except for the profit ratio) of the annual cap for each of the years ended 31 December 2022, 2023 and 2024 for the transactions contemplated under the Payment and Digital Finance Related Services Framework Agreement is expected to exceed 0.1% but is less than 5%, the continuing connected transactions of the payment and digital finance related services are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The services fees under the Payment and Digital Finance Related Services Framework Agreement shall be calculated on the following basis:

(1) market price, which shall mean the prices at which the same or similar type of products or services are provided by independent third parties in the ordinary course of business and on normal commercial terms. When determining whether the transaction price for any transaction under the Payment and Digital Finance Related Services Framework Agreement represents market prices, to the extent practicable, management of the Company shall take into account the prices of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business over the corresponding period for reference;

(2) where there is no or it is not possible to determine the market prices, the prices are to be agreed between the parties based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. For this purpose, "reasonable profit margin" is to be fairly determined by negotiations between the parties in accordance with the internal policies of the Group. When determining the "reasonable profit margin" for any transaction under the Payment and Digital Finance Related Services Framework Agreement, to the extent practicable, management of the Company shall take into account the profit margin of at least two similar and comparable transactions entered into with independent third parties in the corresponding period or the relevant industry profit margin for reference;

(3) where there are government-prescribed prices, the prices and/or pricing standards shall be determined in accordance with the government-prescribed prices; where there are government-guided prices, the prices and/or pricing standards shall be determined with reference to the government-guided prices. Government-prescribed prices means the prices prescribed by the government department in charge of pricing or other relevant departments within the pricing authority and scope in accordance with the Price Law of the PRC. Government-guided prices means the prices determined by the operators as guided by the government department in charge of pricing or other relevant departments which regulate the base price and floating range within the pricing authority and scope in accordance with the Price Law of the PRC.

**SECTION VI
SIGNIFICANT EVENTS****(2) Review of continuing connected transactions**

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the connected transactions the Company conducted in the year 2023.

The Company's external auditor was engaged to report on the Group's continuing connected transactions for the year ended 31 December 2023 in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

(3) Confirmation from the auditors

The auditors of the Group have reviewed the continuing connected transactions of the Group for the year ended 31 December 2023 and have confirmed to the Board that nothing has come to their attention that causes them to believe that the relevant continuing connected transactions:

- (1) have not been approved by the Board;
- (2) (for transactions involving the provision of goods or services by the Group) were not entered into, in all material respects, in accordance with the pricing policies of the Group;
- (3) were not entered into, in all material respects, in accordance with the terms of the agreements governing such transactions; and
- (4) have exceeded the annual caps as set by the Company.

(4) Confirmation from independent non-executive directors

The Independent Non-Executive Directors of the Company have confirmed that all continuing connected transactions for the year ended 31 December 2023 to which the Group was a party:

- (1) had been entered into, and the agreements governing those transactions were entered into, by the Group in the ordinary and usual course of business;
- (2) had been entered into either:
 - (i) on normal commercial terms or better; or
 - (ii) if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than those available to or (if applicable) from independent third parties; and
- (3) had been entered into in accordance with the relevant agreements governing those transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Independent Non-Executive Directors have further confirmed that: the continuing connected transactions for the year ended 31 December 2023 entered into between the Group and its connected persons which are subject to annual caps have not exceeded their respective annual caps.

SECTION VI
SIGNIFICANT EVENTS

4. MATERIAL CONTRACTS AND PERFORMANCE

Guarantees

Unit: yuan Currency: Renminbi

External guarantees provided by the Company (excluding guarantees provided for 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 and its subsidiaries to its subsidiaries	
Total amount of guarantees provided to subsidiaries incurred during the Reporting Period	137,376,096.18
Total balance of guarantees provided to subsidiaries as at the end of the Reporting Period (B)	120,528,507.75
Aggregate guarantees of the Company (including those guarantees provided to its subsidiaries)	
Aggregate amount of guarantees (A + B)	120,528,507.75
Percentage of total aggregate amount of guarantee to net assets of the Company (%)	0.0270
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	The external guarantees provided by the Company were non-financing guarantees provided by China Telecom Finance and China Telecom Global, all 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 29 December 2023.

SECTION VI
SIGNIFICANT EVENTS**(1) Description of guarantees in 2023**

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 is 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 fourth quarter of 2023

During the fourth quarter of 2023 and within the scope of the above guarantee limits, pursuant to the application by China Telecom Digital Intelligence Technology, China Telecom Finance provided 12 guarantees to China Telecom Digital Intelligence Technology in the amount of RMB94.0589 million. There was no new guarantee provided by China Telecom Global. The aggregate amount of the above guarantees was RMB94.0589 million. Details of 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.	165,000.00	23 October 2023 to 15 November 2023	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd.	7,120,000.00	23 October 2023 to 10 December 2023	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd. Anhui Branch	68,592,160.00	3 November 2023 to 31 January 2024	Non-financing guarantee	Advance Payment Guarantee
	China Telecom Digital Intelligence Technology Co., Ltd. Anhui Branch	11,371,800.00	3 November 2023 to 18 March 2024	Non-financing guarantee	Advance Payment Guarantee
	China Telecom Digital Intelligence Technology Co., Ltd.	23,550.00	3 November 2023 to 31 December 2024	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd.	180,000.00	14 November 2023 to 6 August 2026	Non-financing guarantee	Quality guarantee
	China Telecom Digital Intelligence Technology Co., Ltd. Qinghai Branch	62,000.00	24 November 2023 to 31 December 2024	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd. Jiangxi Branch	1,000,000.00	24 November 2023 to 30 April 2024	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd. Anhui Branch	1,068,002.28	24 November 2023 to 31 January 2024	Non-financing guarantee	Advance Payment Guarantee
	China Telecom Digital Intelligence Technology Co., Ltd. Shaanxi Branch	490,000.00	4 December 2023 to 15 May 2025	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd. Shaanxi Branch	3,430,000.00	4 December 2023 to 15 May 2024	Non-financing guarantee	Performance guarantee
	China Telecom Digital Intelligence Technology Co., Ltd. Qinghai Branch	556,399.90	4 December 2023 to 8 May 2024	Non-financing guarantee	Performance guarantee

SECTION VI
SIGNIFICANT EVENTS**(3) The progress of guarantees during the first to the third quarters of 2023**

For details of guarantee progress in 2023, please refer to the 2023 First Quarter Report of China Telecom Corporation Limited, the 2023 Interim Report of China Telecom Corporation Limited and the 2023 Third Quarter Report of China Telecom Corporation Limited.

(4) 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 RMB120.5285 million, accounting for 0.0270% of the Company's latest audited net assets (as of 31 December 2023), 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 29 December 2023.

SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

1. CHANGES IN SHARE CAPITAL

The total number of shares and share capital structure of the Company remained unchanged during the Reporting Period.

2. INFORMATION ON SHAREHOLDERS AND ULTIMATE CONTROLLER

(1) Total number of shareholders

Total number of ordinary shareholders as at the end of the Reporting Period	337,216
Total number of ordinary shareholders as at the end of February 2024	310,603

(2) Shareholdings of the top ten shareholders and the top ten shareholders of tradable shares (or shareholders of unrestricted shares) as at the end of the Reporting Period

Unit: shares

Shareholdings of the top ten shareholders (excluding shares loaned through refinancing)

Name of shareholder (Full name)	Changes during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held with lock-up restrictions	Pledge, marking or freezing conditions Status of shares	Quantity	Nature of shareholder
China Telecommunications Corporation	111,932,400	58,476,519,174	63.90	57,377,053,317	Nil	0	State-owned legal person
HKSCC Nominees Limited	-843,860	13,845,981,478	15.13	0	Nil	0	Foreign legal person
Guangdong Rising Holdings Group Co., Ltd.	-400,000,000	5,214,082,653	5.70	0	Nil	0	State-owned legal person
Zhejiang Provincial Financial Development Co., Ltd.	0	2,137,473,626	2.34	0	Nil	0	State-owned legal person
Jiangsu Guoxin Group Limited	0	957,031,543	1.05	0	Nil	0	State-owned legal person
Fujian Investment & Development Group Co., Ltd.	-48,000,000	920,294,182	1.01	0	Nil	0	State-owned legal person
China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Shanghai	755,451,747	766,614,728	0.84	0	Nil	0	Unknown
State Grid Yingda International Holdings Group Co., Ltd.	0	441,501,000	0.48	0	Nil	0	State-owned legal person
Guangdong Rising Holdings Group Co., Ltd. — Special account for pledge of non-public issuance of exchangeable company bonds (first phase) for professional investors in 2023	400,000,000	400,000,000	0.44	0	Pledge	400,000,000	Unknown
Hong Kong Securities Clearing Company Limited	161,877,123	395,027,677	0.43	0	Nil	0	Unknown

SECTION VII

CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

Shareholdings of the top ten shareholders without lock-up restriction

Name of shareholder	Number of tradable shares held without lock-up restriction	Class and number of shares	
		Class	Quantity
HKSCC Nominees Limited	13,845,981,478	Overseas-listed foreign-invested shares	13,845,981,478
Guangdong Rising Holdings Group Co., Ltd.	5,214,082,653	RMB ordinary shares	5,214,082,653
Zhejiang Provincial Financial Development Co., Ltd.	2,137,473,626	RMB ordinary shares	2,137,473,626
China Telecommunications Corporation	1,099,465,857	RMB ordinary shares	1,099,465,857
Jiangsu Guoxin Group Limited	957,031,543	RMB ordinary shares	957,031,543
Fujian Investment & Development Group Co., Ltd.	920,294,182	RMB ordinary shares	920,294,182
China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Shanghai	766,614,728	RMB ordinary shares	766,614,728
State Grid Yingda International Holdings Group Co., Ltd.	441,501,000	RMB ordinary shares	441,501,000
Guangdong Rising Holdings Group Co., Ltd. — Special account for pledge of non-public issuance of exchangeable company bonds (first phase) for professional investors in 2023	400,000,000	RMB ordinary shares	400,000,000
Hong Kong Securities Clearing Company Limited	395,027,677	RMB ordinary shares	395,027,677
Explanation on the securities account designated for share repurchase of the top ten shareholders		N/A	
Explanation on the voting rights entrusted by or waived by the above shareholders		N/A	
Description of connected relationship or acting in concert among the aforementioned shareholders		The Company is not aware of any connected relationship among the aforementioned shareholders or whether they act in concert.	
Description of the holders of preference shares with restored voting rights and their shareholding		N/A	

SECTION VII
CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

Unit: shares

Changes in the top ten shareholders compared with the end of the previous period

Name of shareholder (full name)	Add/Exit during this reporting period	Number of shares lent through refinancing at the end of the period that have not yet been returned		Number of shares held by shareholders in ordinary accounts, credit accounts and shares lent through refinancing that have not been returned at the end of the period	
		Total	Proportion (%)	Total	Proportion (%)
China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Shanghai	Add	0	0	766,614,728	0.84
Guangdong Rising Holdings Group Co., Ltd. — Special account for pledge of non-public issuance of exchangeable company bonds (first phase) for professional investors in 2023	Add	0	0	400,000,000	0.44
Hong Kong Securities Clearing Company Limited	Add	0	0	395,027,677	0.43
Chengdu Vanguard Capital Management Limited — Chengdu Major Industrialisation Project Phase I Equity Investment Fund Limited	Exit	0	0	97,137,900	0.11
China State-owned Enterprises Structural Adjustment Fund Co., Ltd	Exit	0	0	—	—
Suzhou High Speed Rail New Town Economic Development Co., Ltd	Exit	0	0	—	—

Note : China State-owned Enterprises Structural Adjustment Fund Co., Ltd and Suzhou High Speed Rail New Town Economic Development Co., Ltd are not included in the shareholding list provided by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for inquiry.

SECTION VII

CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

Unit: shares

Shareholdings of the top ten shareholders with lock-up restrictions					
Listing and trading of shares with lock-up restrictions					
No.	Name of shareholders with lock-up restrictions	Number of shares held with lock-up restrictions	Date of listing and trading	Number of new shares available for listing and trading	Lock-up restrictions
1	China Telecommunications Corporation	57,377,053,317	2024-08-20	0	Lock-up for 36 months from the date of listing
2	Huawei Technologies Co., Ltd	220,750,000	2024-08-20	0	Lock-up for 36 months from the date of listing
3	Oriental Pearl Group Co., Ltd.	110,375,000	2024-08-20	0	Lock-up for 36 months from the date of listing
4	Sangfor Technologies Inc.	110,375,000	2024-08-20	0	Lock-up for 36 months from the date of listing
5	Shanghai Bilibili Technology Co., Ltd.	110,375,000	2024-08-20	0	Lock-up for 36 months from the date of listing
6	DBAPP Security Co., Ltd.	110,375,000	2024-08-20	0	Lock-up for 36 months from the date of listing
Description of connected relationship or acting in concert among the aforementioned shareholders			The Company is not aware of any connected relationship among the aforementioned shareholders or whether they act in concert.		

(3) Strategic investors or other legal persons who became top ten shareholders due to allotment of new shares

Names of strategic investors or other legal persons	Agreed shareholding start date	Agreed shareholding end date
State Grid Yingda International Holdings Group Co., Ltd.	20 August 2021	—
Description of agreed term of shareholding in respect of strategic investors and general legal persons' participation in placing of new shares	Lock-up for 12 months from the date of listing, and the lock-up was released on 22 August 2022	

SECTION VII
CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

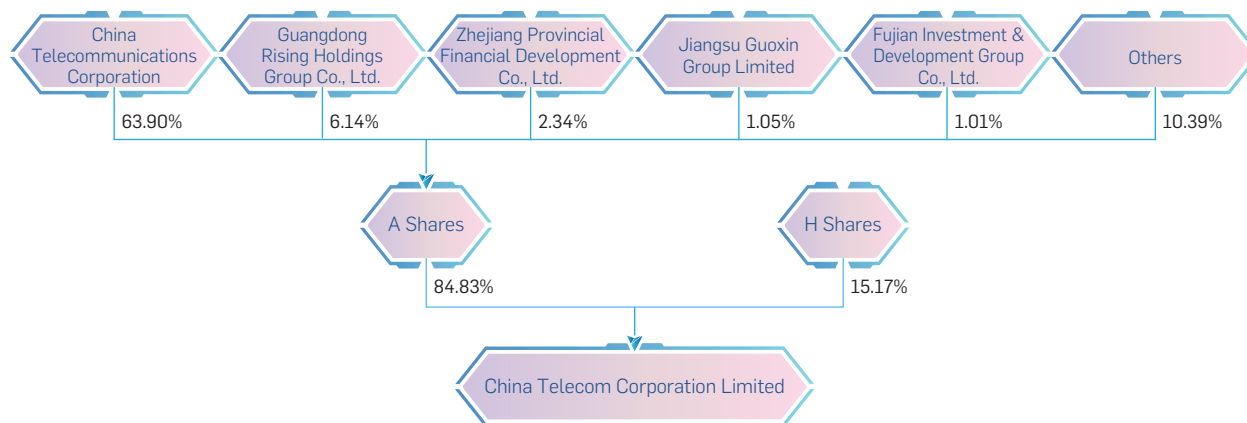
3. INFORMATION ON CONTROLLING SHAREHOLDER AND ULTIMATE CONTROLLER

(1) Information on controlling shareholder

1. Legal person

Name	China Telecommunications Corporation
Person in charge or legal representative	Ke Ruiwen
Date of incorporation	27 April 1995
Principal business	Basic telecommunications services (see license for specific business scope); value-added telecommunications services (see license for specific business scope); chain operation of national internet service premises; operating its group companies and all state-owned assets and state-owned equity interests formed by state investment in the invested enterprises; contracting overseas telecommunications projects and domestic international bidding projects; operation of system integration, technology development, technical services, design and construction, equipment production and sales, advertising and information consultation related to communication and information business; import and export business; hosting exhibitions. (Market entities shall independently select business projects and carry out business activities in accordance with the law; for projects subject to approval in accordance with the law, business activities shall be carried out in accordance with the approved scope after approval by relevant authorities; business activities prohibited and restricted by the industrial policies of the State and the city shall not be carried out.)
Shareholdings in other domestic and overseas listed companies controlled or invested during the Reporting Period	China Telecommunications directly holds 51.16% equity interest in New Guomai Digital Culture Co., Ltd. and indirectly holds 18.23% equity interest in New Guomai Digital Culture Co., Ltd. through China Telecom Group Sideline Industrial Asset Management Co., Ltd and China Telecom Corporation Limited; It also directly holds 48.99% equity interest in CCS, directly holds 22.50% equity interest in China Broadcasting and Television Guangzhou Network Co., Ltd., and directly holds shares in Postal Savings Bank of China Co., Ltd., People.cn Co., Ltd., Xinhuanet Co., Ltd., China Publishing & Media Corporation Limited, Jiangsu Expressway Company Limited and Fiberhome Telecommunication Technologies Co., Ltd.
Other information	N/A

2. Ownership and controlling relationship between the Company and the controlling shareholder



Notes:

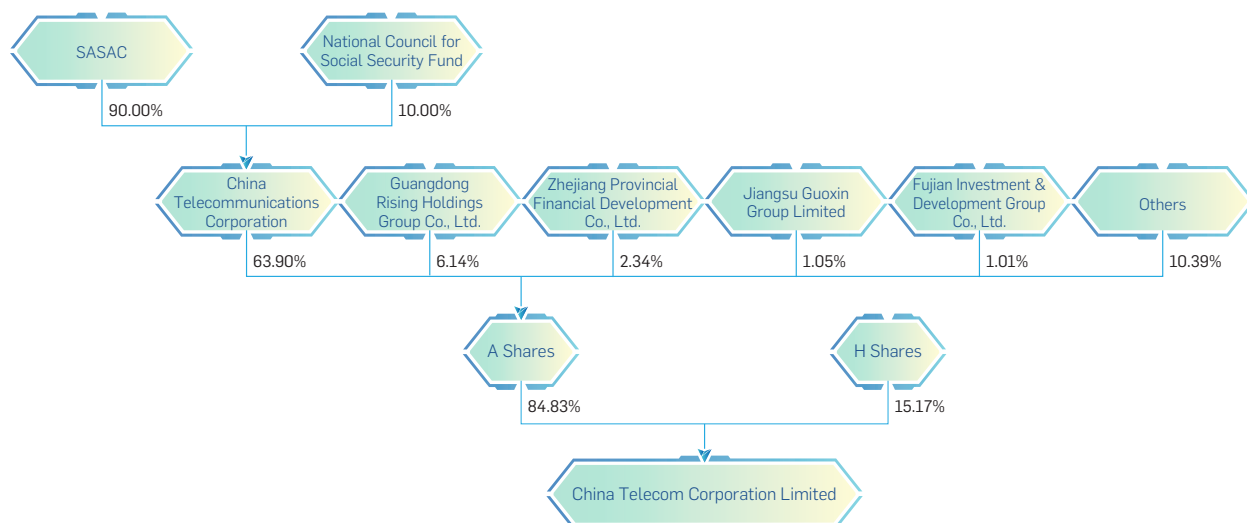
1. Data as at 31 December 2023.
2. Guangdong Rising holds 5,614,082,653 unrestricted shares of the Company, accounting for 6.14% of the Company's total share capital. Among them, 5,214,082,653 shares are held through its own ordinary securities account, accounting for 5.70% of the Company's total share capital; 400,000,000 shares are held through Guangdong Rising Holdings Group Co., Ltd. – Special account for pledge of non-public issuance of exchangeable company bonds (first phase) for professional investors in 2023, accounting for 0.44% of the Company's total share capital.

(2) Ultimate controller

1. Legal person

Name	State-owned Assets Supervision and Administration Commission of the State Council ("SASAC")
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2. Ownership and controlling relationship between the Company and the ultimate controller



Notes:

1. Data as at 31 December 2023.
2. Guangdong Rising holds 5,614,082,653 unrestricted shares of the Company, accounting for 6.14% of the Company's total share capital. Among them, 5,214,082,653 shares are held through its own ordinary securities account, accounting for 5.70% of the Company's total share capital; 400,000,000 shares are held through Guangdong Rising Holdings Group Co., Ltd. – Special account for pledge of non-public issuance of exchangeable company bonds (first phase) for professional investors in 2023, accounting for 0.44% of the Company's total share capital.

SECTION VII

CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

4. MATTERS REGARDING THE RESTRICTIONS ON THE REDUCTION OF SHAREHOLDING

(1) Restrictions on the circulation of shares and undertakings by shareholders to voluntarily lock-up their shares

The Company's controlling shareholder, China Telecommunications, undertakes that:

Within 36 months from the date on which the A Shares of the Company are listed and traded on the SSE, it shall not transfer or entrust others to manage the shares held by China Telecommunications prior to the initial public offering of A Shares of the Company, nor shall the Company repurchase such shares. China Telecommunications undertakes to strictly comply with the Company Law, the Securities Law, the SSE Listing Rules and other laws and regulations, policy requirements and the relevant requirements of the CSRC for prudent supervision, and to determine the lock-up period by adopting a longer applicable period; In the event of future changes in the above laws and regulations and policies, China Telecommunications undertakes to determine the lock-up period in strict accordance with the requirements after the changes. If the shares held by China Telecommunications are reduced within two years after the expiration of the above-mentioned shareholding period, the price of such reduction shall not be lower than the issue price of the Company's initial public offering of A Shares; if the

closing price of the Company's shares is lower than the issue price for 20 consecutive trading days within 6 months after the listing of the Company, or the closing price at the end of 6 months after the listing of the Company (if such date is not a trading day, the first trading day thereafter) is lower than the issue price, the shareholding period of China Telecommunications shall be automatically extended for at least 6 months.

(2) Undertaking on the intention of shareholding and the intention of shareholding reduction by shareholders holding more than 5% of the shares before the initial public offering of A shares

Each of China Telecommunications, being the controlling shareholder of the Company, and Guangdong Rising, the shareholder holding more than 5% of the shares of the Company, undertakes that:

1. After the initial public offering and listing of A Shares of the Company, it will strictly comply with its undertakings on the lock-up period of its shares. After the expiration of the committed lock-up period, in compliance with the relevant laws and regulations, regulatory documents and the business rules of the stock exchange, it will determine whether to reduce its shareholding in the Company based on factors such as the overall conditions of the securities market, the Company's operating results and stock trends, and its business development needs.

SECTION VII

CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

2. After the initial public offering and listing of A Shares of the Company and the expiration of the committed lock-up period, if it decides to reduce its shareholding in the Company, it will be processed through the block trading system of the stock exchange, the centralised bidding trading system or by agreement as permitted by laws and regulations.

Provisions on Reduction of Shareholding by Shareholders, Directors, Supervisors and Senior Management of Listed Companies and the Implementation Rules for Reduction of Shareholding by Shareholders, Directors, Supervisors and Senior Management of Listed Companies of the Shanghai Stock Exchange. If there are changes in the relevant laws and regulations, regulatory documents and the business rules of the stock exchange, the then effective provisions shall prevail.
 3. If it intends to reduce its shareholding, it shall notify the Company in writing in advance on the information such as the number of shares to be reduced and the reasons for such reduction, and the Company shall perform the information disclosure obligations in accordance with the relevant laws and regulations and regulatory rules. It may implement the reduction after three trading days from the date on which the Company discloses its intention to reduce its shareholding.
 5. Reduction of shares of the Company acquired through the secondary market after the initial public offering and listing of A Shares of the Company shall not be subject to the above undertakings.
 4. Reduction of shareholding in the Company will be implemented in accordance with the requirements of laws, administrative regulations, *the Several*
- In the event of failure to perform the above undertakings, it shall take the relevant liabilities in accordance with the relevant laws and regulations, regulatory documents, business rules of stock exchanges and requirements of regulatory authorities.