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China Telecom Corporation Limited

中国电信股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 728)

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

Reference is made to the announcement published by China Telecom Corporation Limited (the “Company”) on 6 June 2019 that China Telecom has been granted the permit to operate 5G digital cellular mobile service. The board of directors (the “Board”) of the Company announces that the Board proposes to amend the relevant provision regarding the business scope in the articles of association of the Company (the “Articles of Association”).

Meanwhile, the Board announces that due to the amendments to the *Company Law of the People’s Republic of China*, the Board proposes to amend the relevant provisions of the Articles of Association regarding shares repurchase by the Company.

It is proposed that the provision regarding the business scope of basic telecommunications businesses in Article 14 and the contents from Article 30 to Article 33 of the Articles of Association be deleted and replaced with the following:

“Article 14 The Company’s scope of business shall be consistent with and subject to the scope of business approved by the authority responsible for the registration of the Company.

Basic telecommunications businesses include:

Engage in second generation 800MHz CDMA digital cellular mobile communications business, third generation CDMA2000 digital cellular mobile communications business, the LTE/4G digital cellular mobile communications business (TD-LTE/LTE FDD), fifth generation digital cellular mobile communications business, satellite mobile communications business, satellite fixed communications business, satellite transponders rental and sales business in the People’s Republic of China. ……

Article 30 The Company may, in accordance with the procedures set out in the Company’s Articles of Association and with the approval of the relevant governing authority of the State, repurchase its issued shares under the following circumstances:

- (1) reducing its capital;
- (2) merging with another company that holds shares in the Company;

- (3) utilising shares for employee stock ownership plan or share incentive scheme;
- (4) repurchasing shares upon request raised by shareholders who had divergent views on approved resolutions in connection with a merger and division of the Company at the general meeting;
- (5) utilising shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (6) as necessary for maintenance of the Company's value and shareholders' rights and interests.

The Company's repurchase of its issued shares shall comply with the provisions of Articles 31 to 34.

Article 31 The Company may repurchase its shares under the circumstances stated in clause (1), (2) or (4) of paragraph one of Article 30, in one of the following ways:

- (1) by making a general offer for the repurchase of shares to all its shareholders on a pro rata basis;
- (2) by repurchasing shares through public dealing on a stock exchange;
- (3) by repurchasing shares outside of the stock exchange by means of an agreement.

Any repurchase of shares by the Company under the circumstances stated in clause (3), (5) or (6) of paragraph one of Article 30 shall be made by way of a public centralised trading.

Article 32 The Company must obtain the prior approval of the shareholders in a general meeting (in the manner stipulated in the Company's Articles of Association) before it can repurchase shares outside of the stock exchange by means of an agreement. Any repurchase of shares by the Company pursuant to the provisions as stated in clause (3), (5) or (6) of paragraph one of Article 30 shall be subject to a board resolution approved by over two-thirds of the directors attending the meeting. The Company may, by obtaining the prior approval of the shareholders in a general meeting in the same manner as described above cancel, release, vary or waive its rights under an agreement which has been so entered into.

An agreement for the repurchase shares referred to in the preceding paragraph includes (but is not limited to) an agreement to become liable to repurchase shares or an agreement to acquire the right to repurchase shares.

The Company may not assign an agreement for the repurchase of its shares or any right contained in such an agreement.

Article 33 In the event that the repurchase of shares by the Company in accordance with paragraph one of Article 30 is under the circumstances stated in clause (1), the shares shall be cancelled within 10 days from the day of repurchase; in the event that such repurchase is under the circumstances stated in clause (2) or (4), the shares shall be transferred or cancelled within 6 months; in the event that such repurchase is under the circumstances stated in clause (3), (5) or (6), the total shares of the Company held by the Company shall not exceed 10% of the total shares of the Company in issue and shall be transferred or cancelled within 3 years.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered share capital."

In the event of any discrepancy between the Chinese version and the English version of the Articles of Association, the Chinese version shall prevail as the Articles of Association are written in Chinese and its English version is an unofficial translation and for reference only.

The above proposed amendments to the Articles of Association are subject to the consideration and approval of the Company's shareholders at an extraordinary general meeting of the Company by way of a special resolution. A circular containing, among other things, details of the proposed amendments to the Articles of Association together with the notice of the extraordinary general meeting will be despatched to the shareholders of the Company in due course. The amended Articles of Association shall become effective on the date upon the relevant special resolution being approved at the extraordinary general meeting of the Company.

By Order of the Board
China Telecom Corporation Limited
Wong Yuk Har
Company Secretary

Beijing, China, 28 June 2019

As at the date of this announcement, the Board of Directors of the Company consists of Mr. Ke Ruiwen (as the chairman, chief executive officer, president and chief operating officer); Mr. Gao Tongqing, Mr. Chen Zhongyue and Madam Zhu Min (as the chief financial officer) (all as the executive vice presidents); Mr. Chen Shengguang (as the non-executive director); Mr. Tse Hau Yin, Aloysius, Mr. Xu Erming, Madam Wang Hsuehming and Mr. Yeung Chi Wai, Jason (all as the independent non-executive directors).