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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 A SHARE OFFERING AND RELATED MATTERS, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURES OF THE MEETING OF THE BOARD OF DIRECTORS AND THE RULES OF PROCEDURES OF THE MEETING OF THE SUPERVISORY COMMITTEE, ADOPTION OF THE RULES OF PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS OF H SHARES

PROPOSED A SHARE OFFERING

The Board is pleased to announce that in order to seize the opportunities of digitalised development, improve the corporate governance and broaden financing channels, accelerate reform and development, promote the implementation of strategies, and achieve high-quality development, the Company proposes to apply for the offering and listing of A Shares on the Main Board of the Shanghai Stock Exchange.

The above proposal was considered and approved by the Board on Tuesday, 9 March 2021, and will be proposed at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting for Shareholders' consideration and approval.

OTHER RELEVANT PROPOSALS REGARDING THE PROPOSED A SHARE OFFERING

The Company has approved a series of other proposals regarding the A Share Offering at the Board meeting convened on 9 March 2021, including, among others: (1) the proposal regarding the proposed authorisation to be granted by the General Meetings to the Board and its authorised persons to deal with matters in connection with the initial public offering and listing of RMB ordinary shares (A Shares); (2) the proposal regarding the distribution plan of accumulated profits prior to the initial public offering and listing of RMB ordinary shares (A Shares); (3) the proposal regarding the use of proceeds from the initial public offering and listing of RMB ordinary shares (A Shares); (4) the proposal regarding the amendments to the Articles of Association; (5) the proposal regarding the adoption of the Rules of Procedures of the Shareholders' General Meeting applicable after the initial public offering and listing of the A Shares; (6) the proposal regarding the amendments to the Rules of Procedures of the Meeting of the Board of Directors; (7) the proposal regarding the dilution of immediate returns resulting from the initial public offering of RMB ordinary shares (A Shares) and the remedial measures; (8) the proposal regarding the Price Stabilisation Plan of A Shares within three years following the initial public offering and listing of RMB ordinary shares (A Shares); (9) the proposal regarding the plan for Shareholders' return within three years following the initial public offering and listing of RMB ordinary shares (A Shares); and (10) the proposal regarding the undertakings on the information disclosure in the prospectus in connection with the initial public offering and listing of RMB ordinary shares (A Shares).

The Company has also considered and approved the second and the ninth proposal as aforementioned, as well as the proposal regarding the amendments to the Rules of Procedures of the Meeting of the Supervisory Committee at the Supervisory Committee meeting convened on 9 March 2021.

SHAREHOLDERS' APPROVAL AND GENERAL INFORMATION

The Company shall convene and submit certain proposals among the above proposals to the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting on Friday, 9 April 2021, respectively, to seek the approval of Shareholders, Domestic Shareholders and H Shareholders, in accordance with the requirements of applicable laws and regulations and the Articles of Association. For details, please refer to the specific contents of proposals in this announcement. The Company intends to despatch the Circular containing further information on the proposed A Share Offering and other relevant proposals to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS OF H SHARES

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM and/or H Shareholders' Class Meeting to be held on Friday, 9 April 2021, the register of members of the Company will be closed from Wednesday, 31 March 2021 to Friday, 9 April 2021 (both days inclusive).

Shareholders and potential investors should be aware that the proposed A Share Offering is subject to approvals from the CSRC and other relevant regulatory authorities and may or may not proceed. There is no assurance that the A Share Offering will proceed and complete successfully. Meanwhile, investors are advised to exercise caution in dealings in the securities of the Company. Further announcement(s) will be made to disclose any major updates and developments in respect of the A Share Offering in accordance with the Listing Rules and other applicable laws and regulations. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

I. PROPOSED A SHARE OFFERING

The Board is pleased to announce that in order to seize the opportunities of digitalised development, improve the corporate governance and broaden financing channels, accelerate reform and development, promote the implementation of strategies, and achieve high-quality development, the Company proposes to apply for the offering and listing of A Shares on the Main Board of the Shanghai Stock Exchange. Pursuant to the provisions of relevant laws, administrative regulations, departmental rules and regulatory documents (the “laws and regulations”) including the Company Law, the Securities Law, the Administrative Measures for the Initial Public Offering and Listing of Stocks and the Opinions of the CSRC on Further Promoting the Reform of New Share Offering Scheme (《中國證監會關於進一步推進新股發行體制改革的意見》), and the requirements of the Articles of Association, the plan for the A Share Offering is formulated as follows:

(1) Type of shares

RMB ordinary shares (A Shares).

(2) Nominal value of shares

RMB1.00 per A Share.

(3) Place of listing

Main Board of the Shanghai Stock Exchange.

(4) Offering size

Subject to compliance with the regulatory requirements of the place of listing including the minimum proportion of the issuance, the number of A Shares to be publicly issued by the Company will be no more than 12,093,342,392 Shares (namely no more than 13% of the total issued share capital of the Company upon the A Share Offering, and prior to the exercise of the over-allotment option). The Company may authorise the lead underwriter(s) to exercise the over-allotment option to allot such additional A Shares representing no more than 15% of the number of A Shares under the Offering (prior to the exercise of the over-allotment option) subject to laws and regulations, and regulatory requirements. Upon the occurrence of issue of bonus shares, capitalisation of capital reserve or other events prior to the A Share Offering, the number of A Shares to be issued will be adjusted accordingly. The Offering will be conducted by way of issuing new A Shares. The actual offering size, matters in relation to over-allotment and the proportion of strategic placing will be determined in accordance with the capital requirements of the Company, communications between the Company and regulatory authorities and the prevailing market conditions at the time of issuance.

(5) Target subscribers

The target subscribers are qualified natural persons and institutional investors (except those prohibited by the laws and regulations and other regulatory requirements applicable to the Company).

If any of the aforesaid target subscribers is a connected person of the Company, the Company will adopt all reasonable measures to comply with the relevant requirements of the listing rules of the stock exchanges where the Shares of the Company are listed.

(6) Strategic placing

Subject to compliance with laws and regulations, and regulatory requirements, the Company may, based on the needs for corporate strategies, business development and size of financing, carry out strategic placing at the time of the A Share Offering by placing a certain amount of the A Shares to investors who satisfy the requirements under applicable laws and regulations and conform to the development strategy requirements of the Company. The specific proportion of the placing will be determined according to laws and regulations and the prevailing market conditions.

(7) Method of offering

The A Share Offering will adopt a combination of offline placing to inquiring subscribers and online subscriptions or other offering methods permitted by the regulatory authorities.

(8) Method of pricing

In accordance with the actual conditions of the domestic and overseas capital markets and the Company at the time of the A Share Offering and comprehensively taking into account the interests of the existing Shareholders as a whole, the issue price under the A Share Offering will be determined by making enquiries with offline investors or by any other legally practicable methods in accordance with relevant laws and regulations and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

(9) Method of underwriting

The A Share Offering will be underwritten by underwriter(s) on a standby commitment basis or other forms permitted by regulatory authorities.

(10) Distribution of accumulated profits

Any accumulated undistributed profits before the date of the A Share Offering and Listing will be shared by all Shareholders after the completion of the A Share Offering in proportion to their respective shareholding.

(11) Validity period of the resolution

The validity period of the resolution regarding the plan for the A Share Offering will be 12 months from the date of consideration and approval of this proposal at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

The above proposal was considered and approved by the Board on Tuesday, 9 March 2021, and will be proposed at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting for Shareholders' consideration and approval.

II. OTHER RELEVANT PROPOSALS REGARDING THE PROPOSED A SHARE OFFERING

The Company has approved a series of other proposals regarding the A Share Offering at the Board meeting convened on 9 March 2021, including, among others: (1) the proposal regarding the proposed authorisation to be granted by the General Meetings to the Board and its authorised persons to deal with matters in connection with the initial public offering and listing of RMB ordinary shares (A Shares); (2) the proposal regarding the distribution plan of accumulated profits prior to the initial public offering and listing of RMB ordinary shares (A Shares); (3) the proposal regarding the use of proceeds from the initial public offering and listing of RMB ordinary shares (A Shares); (4) the proposal regarding the amendments to the Articles of Association; (5) the proposal regarding the adoption of the Rules of Procedures of the Shareholders' General Meeting applicable after the initial public offering and listing of the A Shares; (6) the proposal regarding the amendments to the Rules of Procedures of the Meeting of the Board of Directors; (7) the proposal regarding the dilution of immediate returns resulting from the initial public offering of RMB ordinary shares (A Shares) and the remedial measures; (8) the proposal regarding the Price Stabilisation Plan of A Shares within three years following the initial public offering and listing of RMB ordinary shares (A Shares); (9) the proposal regarding the plan for Shareholders' return within three years following the initial public offering and listing of RMB ordinary shares (A Shares); and (10) the proposal regarding the undertakings on the information disclosure in the prospectus in connection with the initial public offering and listing of RMB ordinary shares (A Shares).

The Company has also considered and approved the second and the ninth proposal as aforementioned, as well as the proposal regarding the amendments to the Rules of Procedures of the Meeting of the Supervisory Committee at the Supervisory Committee meeting convened on 9 March 2021.

1. Proposal regarding the proposed authorisation to be granted by the General Meetings to the Board and its authorised persons to deal with matters in connection with the initial public offering and listing of RMB ordinary shares (A Shares)

According to the working needs of the Offering of the Company, the Board proposes at the General Meetings to authorise the Board to, and the Board to authorise the Company's Chairman of the Board, the President and the Secretary of the Board to, individually or jointly by any two of them, determine and deal with matters in connection with the Offering, the relevant details of which and the proposal will be set out in the Circular.

The relevant authorisation shall be valid for a period of 12 months from the date of consideration and approval of this proposal at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

The above proposal was considered and approved by the Board on Tuesday, 9 March 2021, and will be proposed at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting for Shareholders' consideration and approval.

2. Proposal regarding the distribution plan of accumulated profits prior to the initial public offering and listing of RMB ordinary shares (A Shares)

Pursuant to the provisions of relevant laws and regulations, and regulatory documents including the Company Law, the Securities Law, the Administrative Measures for the Initial Public Offering and Listing of Stocks, the Company proposes to apply for the initial public offering and listing of RMB ordinary shares (A Shares) on the Main Board of the Shanghai Stock Exchange. The distribution plan of accumulated profits prior to the Offering is as follow:

In full consideration of the actual operation conditions and future development demands of the Company, the Company will distribute its profits under relevant resolutions at the shareholders' general meetings prior to the completion of the Offering. All Shareholders of the Company following the completion of the Offering will jointly share the undistributed profits of the Company prior to the date of the Offering and Listing in proportion to their respective shareholding.

The above proposal was considered and approved by the Board and the Supervisory Committee on Tuesday, 9 March 2021, and will be proposed at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting for Shareholders' consideration and approval.

3. Proposal regarding the use of proceeds from the initial public offering and listing of RMB ordinary shares (A Shares)

Pursuant to the provisions of relevant laws and regulations, and regulatory documents including the Company Law, the Securities Law, the Administrative Measures for the Initial Public Offering and Listing of Stocks, taking into account the actual operation demands and the development goals of the Company, the actual proceeds of the Company (after deduction of offering expenses) will be used into the 5G Industrial Internet Construction project, the cloud-network integration new information infrastructure project and the research and development project of sci-tech innovation, the relevant details of which and the proposal will be set out in the Circular.

The above proposal was considered and approved by the Board on Tuesday, 9 March 2021, and will be proposed at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting for Shareholders' consideration and approval.

4. Proposal regarding the amendments to the Articles of Association

To satisfy relevant needs for corporate governance and normative operations after the Offering, the Company needs to amend its Articles of Association in accordance with the Guidelines for the Articles of Association, the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividend Distribution of Listed Companies, the Notice on Matters in Relation to Further Implementing Cash Dividend Distribution of Listed Companies and other relevant laws and regulations. Meanwhile, the Articles of Association is further amended according to the Securities Law in combination with the actual practice of the Company, the relevant details of which and the proposal will be set out in the Circular. After the consideration and approval by the EGM and fulfilment of relevant procedures of the regulatory authorities, the amendments to the Articles of Association will take effect as from the date of the Offering and Listing.

The Board proposes at the EGM to approve the amendments to the Articles of Association, and proposes at the EGM to authorise the Board to, and the Board to authorise the Company's Chairman of the Board, the President and the Secretary of the Board to, individually or jointly by any two of them, within the scope of consideration and approval of the EGM, make corresponding adjustments and amendments to the Articles of Association (including but not limited to adjustments and amendments to the wordings, chapters, terms, conditions of effect and others) based on the changes in relevant laws and regulations and relevant policies, the requirements and recommendations from relevant domestic and overseas government agencies and regulatory authorities as well as the actual conditions of the Offering, to determine the then prevailing Articles of Association and the Articles of Association of China Telecom Corporation Limited (Draft) (the "A + H Shares Articles of Association") applicable to the Company after the Offering based on the requirements (if any) of relevant regulatory authorities, and to make corresponding adjustments and amendments to the content of the A + H Shares Articles of Association relating to registered capital and share capital structure upon completion of the Offering, and conduct approval (if necessary), change and filing with the company registration agencies and other relevant government agencies.

The above proposal was considered and approved by the Board on Tuesday, 9 March 2021, and will be proposed at the EGM for Shareholders' consideration and approval.

5. Proposal regarding the adoption of the Rules of Procedures of the Shareholders' General Meeting applicable after the initial public offering and listing of the A Shares

To ensure that the corporate governance structure complies with the relevant regulatory requirements after the Offering, according to the provisions of the Securities Law, the Guidelines for the Articles of Association and other relevant laws and regulations and the Company's proposed amendments to the current Articles of Association, the Board proposes to adopt the Rules of Procedures of the Shareholders' General Meeting, the relevant details of which and the proposal will be set out in the Circular. After the consideration and approval at the EGM, the Rules of Procedures of the Shareholders' General Meeting will take effect as from the date of the Offering and Listing.

The Board hereby proposes at the EGM to approve the adoption of the Rules of Procedures of the Shareholders' General Meeting, and proposes at the EGM to authorise the Board to, and the Board to authorise the Company's Chairman of the Board, the President and the Secretary of the Board to, individually or jointly by any two of them, make corresponding adjustments and amendments to the Rules of Procedures of the Shareholders' General Meeting (including but not limited to adjustments and amendments to the wordings, chapters, terms, conditions of effect and others) based on the changes in relevant laws and regulations and relevant policies, and the requirements and recommendations from relevant domestic and overseas government agencies and regulatory authorities, in combination with the adjustments and amendments to the Articles of Association as well as the actual conditions of the Offering, and to determine the Rules of Procedures of the Shareholders' General Meeting then applicable to the Company and the Rules of Procedures of the Shareholders' General Meeting applicable to the Company after the Offering based on the requirements (if any) of relevant regulatory authorities on the amendments to the Articles of Association.

The above proposal was considered and approved by the Board on Tuesday, 9 March 2021, and will be proposed at the EGM for Shareholders' consideration and approval.

6. Proposal regarding the amendments to the Rules of Procedures of the Meeting of the Board of Directors

To ensure that the corporate governance structure complies with relevant regulatory requirements after the Offering, according to the provisions of the Securities Law, the Guidelines for the Articles of Association and other relevant laws and regulations and the Company's proposed amendments to the current Articles of Association, the Company intends to amend the current Rules of Procedures of the Meeting of the Board of Directors, the relevant details of which and the proposal will be set out in the Circular. After the consideration and approval at the EGM, the amendments to the current Rules of Procedures of the Meeting of the Board of Directors will take effect as from the date of the Offering and Listing.

The Board hereby proposes at the EGM to approve the amendments to the current Rules of Procedures of the Meeting of the Board of Directors, and proposes at the EGM to authorise the Board to, and the Board to authorise the Company's Chairman of the Board, the President and the Secretary of the Board to, individually or jointly by any two of them, make corresponding adjustments and amendments to the Rules of Procedures of the Meeting of the Board of Directors (including but not limited to adjustments and amendments to the wordings, chapters, terms, conditions of effect and others) based on the changes in relevant laws and regulations and relevant policies, and the requirements and recommendations from relevant domestic and overseas government agencies and regulatory authorities, in combination with the adjustments and amendments to the Articles of Association and the actual conditions of the Offering.

The above proposal was considered and approved by the Board on Tuesday, 9 March 2021, and will be proposed at the EGM for Shareholders' consideration and approval.

7. Proposal regarding the amendments to the Rules of Procedures of the Meeting of the Supervisory Committee

To ensure that the corporate governance structure complies with relevant regulatory requirements after the Offering, according to the provisions of the Securities Law, the Guidelines for the Articles of Association and other relevant laws and regulations and the Company's proposed amendments to the current Articles of Association, the Company intends to amend the current Rules of Procedures of the Meeting of the Supervisory Committee, the relevant details of which and the proposal will be set out in the Circular. After the consideration and approval at the EGM, the amendments to the current Rules of Procedures of the Meeting of the Supervisory Committee will take effect as from the date of the Offering and Listing.

The Supervisory Committee hereby proposes at the EGM to approve the amendments to the current Rules of Procedures of the Meeting of the Supervisory Committee, and proposes at the EGM to authorise the Supervisory Committee to, and the Supervisory Committee to authorise the Chairman of the Supervisory Committee of the Company and its authorised persons, individually or jointly, make corresponding adjustments and amendments to the Rules of Procedures of the Meeting of the Supervisory Committee (including but not limited to adjustments and amendments to the wordings, chapters, terms, conditions of effect and others) based on the changes in relevant laws and regulations and relevant policies, and the requirements and recommendations from relevant domestic and overseas government agencies and regulatory authorities, in combination with the adjustments and amendments to the Articles of Association and the actual conditions of the Offering.

The above proposal was considered and approved by the Supervisory Committee on Tuesday, 9 March 2021, and will be proposed at the EGM for Shareholders' consideration and approval.

8. Proposal regarding the dilution of immediate returns resulting from the initial public offering of RMB ordinary shares (A Shares) and the remedial measures

Pursuant to the requirements under relevant laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for the Initial Public Offering and Listing of Stocks, the Opinions of the General Office of the State Council on Further Strengthening the Protection of Legal Rights and Interests of Minority Investors in Capital Markets (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》) and the Guidance Opinion on Matters Pertaining to Dilution of Return for the Immediate Period Resulting from Initial Offering and Refinancing or Material Asset Restructuring, in order to protect the interests of minority investors, the Company, as a company intending to apply for the initial public offering and listing of RMB ordinary shares (A shares), is required to formulate specific remedial measures based on the characteristics of its operations if the A Share Offering is expected to result in the dilution of the Company's immediate returns, and the controlling shareholder, Directors and senior management personnel of the Company shall undertake that such measures can be duly implemented. The Company has conducted relevant analysis on the impact of the A Share Offering on the dilution of immediate returns and formulated the Dilution of Immediate Returns Resulting from the Initial Public Offering of RMB Ordinary Shares (A Shares) and the Remedial Measures of China Telecom Corporation Limited, the relevant details of which and the proposal will be set out in the Circular.

The above proposal was considered and approved by the Board on Tuesday, 9 March 2021, and will be proposed at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting for Shareholders' consideration and approval.

9. Proposal regarding the Price Stabilisation Plan of A Shares within three years following the initial public offering and listing of RMB ordinary shares (A Shares)

To strengthen the integrity obligations of the relevant parties of the Company and safeguard the rights and interests of minority Shareholders, the Company has formulated the Price Stabilisation Plan of the Company's A Shares Within Three Years Following the Initial Public Offering and Listing of RMB Ordinary Shares (A Shares) of China Telecom Corporation Limited in accordance with the requirements of the Company Law, the Securities Law, the Opinions of the CSRC on Further Promoting the Reform of New Share Offering Scheme (《中國證監會關於進一步推進新股發行體制改革的意見》) and other relevant laws and regulations, the relevant details of which and the proposal will be set out in the Circular. After consideration and approval at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, the plan shall come into effect from the date of the A Share Offering and Listing and remain valid within the three years thereafter.

The above proposal was considered and approved by the Board on Tuesday, 9 March 2021, and will be proposed at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting for Shareholders' consideration and approval.

10. Proposal regarding the plan for Shareholders’ return within three years following the initial public offering and listing of RMB ordinary shares (A Shares)

In order to further strengthen the intent of rewarding the Shareholders, refine profit distribution system and offer continuous, stable and reasonable investment returns to the Shareholders, the Company has formulated the Plan for Shareholders’ Return Within Three Years Following the Initial Public Offering and Listing of RMB Ordinary Shares (A Shares) of China Telecom Corporation Limited in accordance with the Company Law, the Securities Law, the Notice on Matters in Relation to Further Implementing Cash Dividend Distribution of Listed Companies, the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividend of Listed Companies, the Guidelines of the Shanghai Stock Exchange on Cash Dividend of Listed Companies (《上海證券交易所上市公司現金分紅指引》) and other relevant laws and regulations as well as the A + H Shares Articles of Association as applicable after the A Share Offering, and by fully combining the Company’s actual operating conditions and future development needs, the relevant details of which and the proposal will be set out in the Circular. After consideration and approval at the EGM, the plan shall come into effect from the date of the A Share Offering and Listing.

The above proposal was considered and approved by the Board and the Supervisory Committee on Tuesday, 9 March 2021, and will be proposed at the EGM for Shareholders’ consideration and approval.

11. Proposal regarding the undertakings on the information disclosure in the prospectus in connection with the initial public offering and listing of RMB ordinary shares (A Shares)

In accordance with the requirements of the Opinions of the CSRC on Further Promoting the Reform of New Share Offering Scheme (《中國證監會關於進一步推進新股發行體制改革的意見》) and other relevant regulations that require the issuer to make public undertakings in its public offering and listing documents, the Company will make relevant undertakings in its public offering and listing documents in respect of the information disclosure in the prospectus, the relevant details of which and the proposal will be set out in the Circular. The Board hereby proposes at the General Meetings to approve the undertakings above by the Company, and proposes at the General Meetings to approve to authorise the Board to, and the Board to authorise the Company’s Chairman of the Board, the President and the Secretary of the Board to, individually or jointly by any two of them, make adjustments to the undertakings above or make new undertakings based on the provisions of relevant laws and regulations and regulatory documents and changes in relevant policies, or the requirements from regulatory authorities.

The above proposal was considered and approved by the Board on Tuesday, 9 March 2021, and will be proposed at the EGM, the Domestic Shareholders’ Class Meeting and the H Shareholders’ Class Meeting for Shareholders’ consideration and approval.

III. IMPACT OF THE A SHARE OFFERING ON THE COMPANY'S SHAREHOLDING STRUCTURE

For reference and illustration purposes only, assuming a total of 12,093,342,392 A Shares are issued upon approval under the A Share Offering (prior to the exercise of the over-allotment option) and there is no change to the issued share capital of the Company prior to the completion of the A Share Offering, the shareholding structure of the Company as at the date of this announcement and immediately following completion of the A Share Offering is/will be as follows:

	As at the date of this announcement		Immediately following completion of the A Share Offering (assuming the over-allotment option is not exercised)		Immediately following completion of the A Share Offering (assuming the over-allotment option is exercised in full)	
	Number of Shares	Approximate percentage of the issued shares of the Company (%)	Number of Shares	Approximate percentage of the issued shares of the Company (%)	Number of Shares	Approximate percentage of the issued shares of the Company (%)
Domestic Shares⁽¹⁾						
– Domestic Shares/A Shares converted by Domestic Shares and to be held by the non-public persons ⁽²⁾	57,377,053,317	70.89	57,377,053,317	61.68	57,377,053,317	60.50
– Domestic Shares/A Shares converted by Domestic Shares and to be held by the public	9,677,905,004	11.96	9,677,905,004	10.40	9,677,905,004	10.20
– A Shares to be newly issued under the A Share Offering ⁽³⁾	–	–	12,093,342,392	13.00	13,907,343,750	14.66
Sub-total	67,054,958,321	82.85	79,148,300,713	85.08	80,962,302,071	85.37
H Shares						
– H Shares held by the public	13,877,410,000	17.15	13,877,410,000	14.92	13,877,410,000	14.63
Sub-total	13,877,410,000	17.15	13,877,410,000	14.92	13,877,410,000	14.63
Total	80,932,368,321	100.00	93,025,710,713	100.00	94,839,712,071	100.00

Notes:

- (1) The issued Domestic Shares will be converted into A Shares immediately following completion of the A Share Offering;
- (2) As at the date of this announcement, China Telecommunications Corporation, the controlling shareholder of the Company, directly holds 57,377,053,317 Domestic Shares. Upon the completion of the A Share Offering, China Telecommunications Corporation will hold 57,377,053,317 A Shares, the number of which is the same as that of Domestic Shares held by it prior to the Offering, and the A Shares held by it shall not be counted as part of the public float;
- (3) The A Shares are expected to be held by non-core connected persons of the Company and will be counted as part of the public float;
- (4) The Company may authorise the lead underwriter(s) to exercise the over-allotment option to allot such additional A Shares representing no more than 15% of the number of A Shares under the Offering (prior to the exercise of the over-allotment option) subject to laws and regulations, and regulatory requirements;
- (5) The sum of equity percentages might not be in line with the total due to rounding.

As at the date of this announcement, based on the information available to the Company and to the knowledge of the Directors, the Company's public float complies with the requirements of Rule 8.08 of the Listing Rules. Assuming that all 12,093,342,392 A Shares under the A Share Offering are issued upon approval and that all are issued to non-core connected persons of the Company, the percentage of the H Shares held by the public in the total number of the issued Shares after the A Share Offering is expected to be approximately 14.92% (assuming the over-allotment option is not exercised) and 14.63% (assuming the over-allotment option is exercised in full), and the percentage of the Shares (total of A Shares and H Shares) held by the public in the total number of the issued Shares after the A Share Offering is expected to be approximately 38.32% (assuming the over-allotment option is not exercised) and 39.50% (assuming the over-allotment option is exercised in full). The Company's public float will still be able to comply with the requirements of Rule 8.08 of the Listing Rules. The Company will closely monitor its public float to ensure its compliance, at all times, with relevant public float requirements.

As at the date of this announcement, the Company has not entered into or intends to enter into any agreement with any connected persons of the Company in connection with the subscription of A Shares.

IV. REASONS FOR AND PURPOSE OF THE A SHARE OFFERING

(1) Seizing the opportunities of digitalised development and promoting the implementation of the “Cloudification and Digital Transformation” strategy

The A Share Offering assists the Company to seize the opportunities emerging from the digital transformation of the economy and society, deepen reforms on all fronts, promote the implementation of the “Cloudification and Digital Transformation” strategy to improve the sci-tech innovation capabilities, upgrade products and services, and improve customer experience, so as to expand business scale and enhance the Company's competitive advantages, laying a solid foundation for the Company's high-quality development.

(2) Broadening financing channels to enhance sustainable development capabilities

The A Share Offering can help the Company establish more flexible and diversified financing channels as well as utilise both domestic and overseas capital markets, broaden sources of funds, enhance capital strengths and improve risk tolerance, so as to enhance sustainable development capabilities.

(3) Improving the corporate governance and enhancing the comprehensive competitiveness

The A Share Offering is conducive to the optimisation of the Company's governance structure. By introducing strategic investors who are compatible with the Company's development strategy, complementary in capabilities and resources, and have synergistic effects, the level of governance will be improved and the comprehensive competitive strengths will be further enhanced.

All Directors (including the Independent Non-Executive Directors) are of the view that the A Share Offering is in the interests of the Company and its Shareholders as a whole.

V. EQUITY FINANCING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company did not conduct any equity financing activities or issue any equity securities within the 12 months immediately preceding the date of this announcement.

VI. SHAREHOLDERS' APPROVAL AND GENERAL INFORMATION

The Company shall convene and submit certain proposals among the above proposals to the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting on Friday, 9 April 2021, respectively, to seek the approval of Shareholders, Domestic Shareholders and H Shareholders, in accordance with the requirements of applicable laws and regulations and the Articles of Association. For details, please refer to the specific contents of proposals in this announcement. The Company intends to despatch the Circular containing further information on the proposed A Share Offering and other relevant proposals to the Shareholders in due course.

VII. CLOSURE OF REGISTER OF MEMBERS OF H SHARES

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM and/or H Shareholders' Class Meeting to be held on Friday, 9 April 2021, the register of members of the Company will be closed from Wednesday, 31 March 2021 to Friday, 9 April 2021 (both days inclusive).

Shareholders and potential investors should be aware that the proposed A Share Offering is subject to approvals from the CSRC and other relevant regulatory authorities and may or may not proceed. There is no assurance that the A Share Offering will proceed and complete successfully. Meanwhile, investors are advised to exercise caution in dealings in the securities of the Company. Further announcement(s) will be made to disclose any major updates and developments in respect of the A Share Offering in accordance with the Listing Rules and other applicable laws and regulations. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

VIII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	the ordinary shares proposed to be issued by the Company under the A Share Offering, with a Renminbi-denominated par value of RMB1.00, which will be subscribed for and paid up in Renminbi and will be listed on the Main Board of the Shanghai Stock Exchange and traded in Renminbi
“A Share Offering”, “Offering”, “A Share Offering and Listing” or “Offering and Listing”	the proposed initial public offering and listing of RMB ordinary shares (A Shares) by the Company on the Main Board of the Shanghai Stock Exchange

“Administrative Measures for the Initial Public Offering and Listing of Stocks”	the Administrative Measures for the Initial Public Offering and Listing of Stocks (《首次公開發行股票並上市管理辦法》) promulgated by the CSRC
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“China Telecommunications Corporation”	China Telecommunications Corporation (中國電信集團有限公司), a state-owned enterprise established under the laws of the PRC on 17 May 2000 and the controlling shareholder of the Company
“Circular”	a circular to be despatched by the Company to the Shareholders in due course, which contains further information on the proposed A Share Offering and other relevant proposals
“Company”	China Telecom Corporation Limited (中國電信股份有限公司), a joint stock limited company incorporated in the PRC on 10 September 2002
“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission and its delegate(s)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary shares issued by the Company, with a Renminbi-denominated par value of RMB1.00, which are subscribed for and paid up in Renminbi
“Domestic Shareholder(s)”	holder(s) of the Domestic Share(s)

“Domestic Shareholders’ Class Meeting”	the Domestic Shareholders’ Class Meeting of the Company to be convened on Friday, 9 April 2021, or immediately after the conclusion of the EGM or any adjournment thereof, the notice of which is set out in the Circular
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened on Friday, 9 April 2021, or any adjournment thereof, the notice of which is set out in the Circular
“General Meetings”	collectively, the EGM, Domestic Shareholders’ Class Meeting and H Shareholders’ Class Meeting
“Guidance Opinion on Matters Pertaining to Dilution of Return for the Immediate Period Resulting from Initial Offering and Refinancing or Material Asset Restructuring”	the Guidance Opinion on Matters Pertaining to Dilution of Return for the Immediate Period Resulting from Initial Offering and Refinancing or Material Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) promulgated by the CSRC
“Guidelines for the Articles of Association”	the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) promulgated by the CSRC, as amended, supplemented or otherwise modified from time to time
“H Share(s)”	the ordinary shares issued by the Company, with a Renminbi-denominated par value of RMB1.00, which are subscribed for and paid up in a currency other than Renminbi and are listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of the H Share(s)
“H Shareholders’ Class Meeting”	the H Shareholders’ Class Meeting of the Company to be convened on Friday, 9 April 2021, or immediately after the conclusion of the Domestic Shareholders’ Class Meeting or any adjournment thereof, the notice of which is set out in the Circular
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Non-Executive Director(s)”	the independent non-executive director(s) of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Notice on Matters in Relation to Further Implementing Cash Dividend Distribution of Listed Companies”	the Notice on Matters in Relation to Further Implementing Cash Dividend Distribution of Listed Companies 《關於進一步落實上市公司現金分紅有關事項的通知》 promulgated by the CSRC
“PRC” or “China”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“public”	has the meaning ascribed to it under the Listing Rules
“Regulatory Guidelines for Listed Companies No. 3 – Cash Dividend Distribution of Listed Companies”	the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividend Distribution of Listed Companies 《上市公司監管指引第3號—上市公司現金分紅》 promulgated by the CSRC
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rules of Procedures of the Meeting of the Board of Directors”	the Rules of Procedures of the Meeting of the Board of Directors of China Telecom Corporation Limited 《中國電信股份有限公司董事會議事規則》 (as amended from time to time)
“Rules of Procedures of the Meeting of the Supervisory Committee”	the Rules of Procedures of the Meeting of the Supervisory Committee of China Telecom Corporation Limited 《中國電信股份有限公司監事會議事規則》 (as amended from time to time)
“Rules of Procedures of the Shareholders’ General Meeting”	the Rules of Procedures of the Shareholders’ General Meeting of China Telecom Corporation Limited 《中國電信股份有限公司股東大會議事規則》
“Securities Law”	the Securities Law of the PRC 《中華人民共和國證券法》
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, including Domestic Shares and H Shares
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company

“Supervisory Committee” the supervisory committee of the Company

“%” per cent

By Order of the Board
China Telecom Corporation Limited
Ke Ruiwen
Chairman and Chief Executive Officer

Beijing, China, 9 March 2021

FORWARD-LOOKING STATEMENTS

Certain statements contained in this announcement may be viewed as “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934 (as amended). Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, we do not intend to update these forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company’s most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the “SEC”) and in the Company’s other filings with the SEC.

As at the date of this announcement, the Board of Directors of the Company consists of Mr. Ke Ruiwen (as the Chairman and Chief Executive Officer); Mr. Li Zhengmao (as the President and Chief Operating Officer); Mr. Shao Guanglu; Mr. Liu Guiqing 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).