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**China Tower Corporation Limited**  
**中國鐵塔股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 0788)**

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
AND  
THE MATERIALS PROCUREMENT FRAMEWORK AGREEMENT**

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH EACH OF THE  
TELECOM GROUP COMPANIES**

We refer to the section headed "Connected Transactions" in the Prospectus in relation to certain continuing connected transactions between the Company and Telecom Group Companies and/or their associates including those under the Property Lease Framework Agreements and the Service Supply Framework Agreements. We also refer to the announcement of the Company dated 19 December 2019 in relation to the Site Resource Service Framework Agreement between the Company and CMCC. The agreements mentioned above will expire on 31 December 2020.

The Board announces that the Company has entered into the 2021-2023 Property Lease Framework Agreements and the 2021-2023 Service Supply Framework Agreements with each of the Telecom Group Companies and the 2021-2023 Site Resource Service Framework Agreement with CMCC on 19 October 2020, which will come into effect on 1 January 2021 for a term of three years expiring on 31 December 2023. The principal terms of such agreements are set out below in this announcement.

**THE MATERIALS PROCUREMENT FRAMEWORK AGREEMENT WITH CTC**

As disclosed in the Prospectus, the Company has in its ordinary and usual course of business procured materials from CTC and its associates on normal commercial terms such as softwares and accessories and parts required by business, and each of the applicable percentage ratios for such transactions calculated in accordance with the Listing Rules for the years of 2018 and 2019 was below 0.1% on an annual basis and thus such transactions fell within the *de minimis* threshold as stipulated under Rule 14A.76 of the Listing Rules and were fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Based on the internal review on continuing connected transactions in 2020, the Company expects that the transaction amount of such transactions for each of the years of 2020 and 2021 is expected to exceed the *de minimis* threshold under Rule 14A.76 of the Listing Rules. The Company has therefore entered into the Materials Procurement Framework Agreement with CTC on 19 October 2020, taking effect from the date of execution and expiring on 31 December 2021.

## LISTING RULES IMPLICATIONS

China Mobile Company is a substantial shareholder of the Company directly holding approximately 27.93% of the share capital of the Company. CMCC, through China Mobile, indirectly controls China Mobile Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the 2021-2023 Property Lease Framework Agreement, the 2021-2023 Service Supply Framework Agreement and the 2021-2023 Site Resource Service Framework Agreement between the Company and CMCC will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

China Unicom Corporation is a substantial shareholder of the Company directly holding approximately 20.65% of the share capital of the Company. CUC, through China Unicom Group Corporation (BVI) Limited, China United Network Communications Limited, China Unicom (BVI) Limited and China Unicom (Hong Kong) Limited, indirectly controls China Unicom Corporation and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the 2021-2023 Property Lease Framework Agreement and the 2021-2023 Service Supply Framework Agreement between the Company and CUC will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

China Telecom is a substantial shareholder of the Company directly holding approximately 20.50% of the share capital of the Company. CTC controls China Telecom and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the 2021-2023 Property Lease Framework Agreement, the 2021-2023 Service Supply Framework Agreement and the Materials Procurement Framework Agreement between the Company and CTC will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. However, as allowed under IFRS 16, the Company has elected not to recognise right-of-use assets and lease liabilities for lease that at the commencement date have a lease term of 12 months or less and thus recognises the lease payments associated with such leases as an expense on a straightline basis over the lease term. As the terms of substantially all leases under the 2021-2023 Property Lease Framework Agreements are 12 months or less, such leases and the property management services to be received by the Company under the 2021-2023 Property Lease Framework Agreements will be continuing connected transactions of the Company and the transaction amounts and proposed annual caps for such transactions represent the amount of rents and management fees to be paid by the Company under the relevant agreements on an annual basis. Where the terms of any leases under the 2021-2023 Property Lease Framework Agreements are longer than 12 months, the Company will recognise right-of-use assets and lease liabilities for such leases.

The Company currently expects that the highest applicable percentage ratios under Rule 14.07 of the Listing Rules for the increasing value of the right-of-use assets and lease liabilities recognised for leases with a term of more than 12 months under the 2021-2023 Property Lease Framework Agreements each year will be less than 0.1%, therefore, any connected transactions or continuing connected transactions in relation to such leases will be *de minimis* transactions exempted under rule 14A.76(1)(a) of the Listing Rules.

As the highest applicable percentage ratios under Rule 14.07 of the Listing Rules for the proposed annual caps of the transactions contemplated under each of the 2021-2023 Property Lease Framework Agreements (in relation to leases with a term of 12 months or less), the 2021-2023 Service Supply Framework Agreement with CMCC, the 2021-2023 Service Supply Framework Agreement with CUC, the 2021-2023 Site Resource Service Framework Agreement and the Materials Procurement Framework Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the 2021-2023 Property Lease Framework Agreements (in relation to leases with a term of 12 months or less), the 2021-2023 Service Supply Framework Agreement with CMCC, the 2021-2023 Service Supply Framework Agreement with CUC, the 2021-2023 Site Resource Service Framework Agreement and the Materials Procurement Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the proposed annual caps of the transactions contemplated under the 2021-2023 Service Supply Framework Agreement with CTC exceeds 5%, the transactions contemplated under the 2021-2023 Service Supply Framework Agreement with CTC are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

Mr. Gao Tongqing, a non-executive Director, has abstained from voting on the Board resolution for considering and approving the 2021-2023 Property Lease Framework Agreement with CMCC, the 2021-2023 Service Supply Framework Agreement with CMCC and the 2021-2023 Site Resource Service Framework Agreement, and the transactions contemplated thereunder (including the proposed annual caps thereof) due to his administrative positions in CMCC and/or its associates.

Mr. Mai Yanzhou, a non-executive Director, has abstained from voting on the Board resolution for considering and approving the 2021-2023 Property Lease Framework Agreement with CUC and the 2021-2023 Service Supply Framework Agreement with CUC, and the transactions contemplated thereunder (including the proposed annual caps thereof) due to his administrative positions in CUC and/or its associates.

Mr. Zhang Zhiyong, a non-executive Director, has abstained from voting on the Board resolution for considering and approving the 2021-2023 Property Lease Framework Agreement with CTC, the 2021-2023 Service Supply Framework Agreement with CTC and the Materials Procurement Framework Agreement, and the transactions contemplated thereunder (including the proposed annual caps thereof) due to his administrative positions in CTC and/or its associates.

Save for the above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no other Director has material interest in the above agreements and the transactions contemplated thereunder that will be required to abstain from voting on the relevant resolutions at the Board meeting.

The Board (including the independent non-executive Directors of the Company) is of the view that the 2021-2023 Property Lease Framework Agreements, the 2021-2023 Service Supply Framework Agreement with CMCC, the 2021-2023 Service Supply Framework Agreement with CUC, the 2021-2023 Site Resource Service Framework Agreement and the Materials Procurement Framework Agreement and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Company and are on normal commercial terms or better, and the terms, as well as the relevant proposed annual caps, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

The Board (excluding the members of the Independent Board Committee, the opinion of which, after taking into account the advice from the Independent Financial Adviser, will be included in the circular to be despatched to the shareholders of the Company) is of the view that the 2021-2023 Service Supply Framework Agreement with CTC and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Company and are on normal commercial terms or better, and the terms, as well as the relevant proposed annual caps, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **THE EGM**

The EGM will be convened to consider and, if thought fit, to approve the 2021-2023 Service Supply Framework Agreement with CTC and the relevant proposed annual caps. Pursuant to Rule 14A.36 of the Listing Rules, any shareholder with a material interest in the relevant continuing connected transactions is required to abstain from voting on the relevant resolutions at the EGM. Accordingly, China Telecom, a subsidiary of CTC, is required to abstain from voting on the resolution in respect of such agreement and the relevant proposed annual caps at the EGM.

An Independent Board Committee comprising all of the independent non-executive Directors of the Company, namely Mr. Fan Cheng, Mr. Tse Yung Hoi and Mr. Deng Shiji, has been formed to advise the Independent Shareholders in respect of the 2021-2023 Service Supply Framework Agreement with CTC and the relevant proposed annual caps. The Company has appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of, among other things, the 2021-2023 Service Supply Framework Agreement with CTC and the relevant proposed annual caps.

A circular containing, among other things, (i) details of the 2021-2023 Service Supply Framework Agreement with CTC and the relevant proposed annual caps; (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, is expected to be despatched to the shareholders of the Company on or before 10 November 2020.

## INTRODUCTION

### Background

We refer to the section headed “Connected Transactions” in the Prospectus in relation to certain continuing connected transactions between the Company and Telecom Group Companies and/or their associates including those under the Property Lease Framework Agreements and the Service Supply Framework Agreements. We also refer to the announcement of the Company dated 19 December 2019 in relation to the Site Resource Service Framework Agreement between the Company and CMCC. The agreements mentioned above will expire on 31 December 2020.

The Board announces that the Company has entered into the 2021-2023 Property Lease Framework Agreements and the 2021-2023 Service Supply Framework Agreements with each of the Telecom Group Companies and the 2021-2023 Site Resource Service Framework Agreement with CMCC on 19 October 2020, which will come into effect on 1 January 2021 for a term of three years expiring on 31 December 2023. The principal terms of such agreements are set out below in this announcement.

As disclosed in the Prospectus, the Company has in its ordinary and usual course of business procured materials from CTC and its associates on normal commercial terms such as softwares and accessories and parts required by business, and each of the applicable percentage ratios for such transactions calculated in accordance with the Listing Rules for the years of 2018 and 2019 was below 0.1% on an annual basis and thus such transactions fell within the *de minimis* threshold as stipulated under Rule 14A.76 of the Listing Rules and were fully exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Based on the internal review on continuing connected transactions in 2020, the Company expects that the transaction amount of such transactions for each of the years of 2020 and 2021 is expected to exceed the *de minimis* threshold under Rule 14A.76 of the Listing Rules. The Company has therefore entered into the Materials Procurement Framework Agreement with CTC on 19 October 2020, taking effect from the date of execution and expiring on 31 December 2021.

The summary of such continuing connected transactions and the relevant applicable Listing Rules are set out below.

## Summary of Continuing Connected Transactions

<b>No.</b>	<b>Nature of Transactions</b>	<b>Relevant Listing Rules</b>
<b><i>2021-2023 Property Lease Framework Agreements – Property Leasing from Each of the Telecom Group Companies and Their Respective Associates</i></b>		
1.	Property leasing from CMCC and its associates	14A.35
2.	Property leasing from CUC and its associates	14A.35
3.	Property leasing from CTC and its associates	14A.35
<b><i>2021-2023 Service Supply Framework Agreements – Non-Telecommunications Services Provided by Each of the Telecom Group Companies and Their Respective Associates</i></b>		
4.	Construction, design, supervision, outsourcing maintenance, intermediary, supply chain and training services provided by CMCC and its associates	14A.35
5.	Construction, design, supervision, outsourcing maintenance, intermediary, supply chain and training services provided by CUC and its associates	14A.35
6.	Construction, design, supervision, outsourcing maintenance, intermediary, supply chain and training services provided by CTC and its associates	14A.35 and 14A.36
<b><i>2021-2023 Site Resource Service Framework Agreement – Site Resource Service for CMCC and Its Associates</i></b>		
7.	Site resource service to CMCC and its associates	14A.35
<b><i>Materials Procurement Framework Agreement – Procurements of Materials from CTC and Its Respective Associates</i></b>		
8.	Procurement of materials from CTC and its associates	14A.35

### **2021-2023 PROPERTY LEASE FRAMEWORK AGREEMENTS**

As the Property Lease Framework Agreements between the Company and each of the Telecom Group Companies will expire on 31 December 2020, the Company entered into the 2021-2023 Property Lease Framework Agreements on 19 October 2020 with each of the Telecom Group Companies on substantially the same terms and conditions of the Property Lease Framework Agreements, respectively, pursuant to which the Group may lease certain properties from each of the Telecom Group Companies and their respective associates.

The Telecom Group Companies and their respective associates shall enter into separate agreements with the Company or its relevant provincial branches, which shall set out specific terms and conditions pursuant to the principles and conditions provided in the 2021-2023 Property Lease Framework Agreements. The terms of substantially all leases under the 2021-2023 Property Lease Framework Agreements are 12 months or less.

## **Principal Terms**

### ***Service Provided***

Pursuant to the 2021-2023 Property Lease Framework Agreements, the properties to be leased from each of the Telecom Group Companies and their respective associates include buildings and land. Each of the Telecom Group Companies and their respective associates also provide relevant property management services in relation to some of the properties leased to the Group.

### ***Service Period***

The 2021-2023 Property Lease Framework Agreements are valid from 1 January 2021 to 31 December 2023.

### **Pricing Policy**

Under the 2021-2023 Property Lease Framework Agreements, the rents and management fees shall be determined and paid as follows:

- the rents of office buildings will be determined with reference to the market price at the time of signing individual agreements. If there is no market price or the market price cannot be determined, the rents and management fees will be determined by the parties with reference to reasonable costs, taxes payable and reasonable profits and in other applicable method (if any);
- the rents of buildings and land used for the Company's construction and operation (sites) will be determined with reference to the market price at the time of signing individual agreements. If there is no market price or the market price cannot be determined, the rents and management fees will be determined by the parties with reference to reasonable costs, taxes payable and reasonable profits and in other reasonable method (if any);
- during the leasing term of individual leased property, the management fees, including but not limited to, property fees, water fees, electricity fees, cleaning fees, air-conditioning fees, heating fees, parking fees and other fees related to the use of the leased property, will be determined by the parties with reference to the market price of similar property management service at the time of signing individual agreements; and
- the relevant standard for the rents will be regularly reviewed and adjusted according to individual agreements.

## Historical Figures and Proposed Annual Caps

### *For Properties Leased from CMCC and Its Associates*

The historical figures and the proposed annual caps of such transactions (in relation to leases with a term of 12 months or less) for the relevant period are set out below:

		Historical Figures			Proposed Annual Caps		
		For the years ended 31 December		For the six months ended	For the years ending 31 December		
		2018	2019	30 June 2020*	2021	2022	2023
(RMB in millions)							
<b>Office buildings</b>	Rents and management fees	6	1	1	15	15	15
<b>Sites</b>	Rents	135	139	45	135	135	135
<b>Total</b>	Rents and management fees	<b>141</b>	<b>140</b>	<b>46</b>	<b>150</b>	<b>150</b>	<b>150</b>

\* Unaudited

### *For Properties Leased from CUC and Its Associates*

The historical figures and proposed annual caps of such transactions (in relation to leases with a term of 12 months or less) for the relevant period are set out below:

		Historical Figures			Proposed Annual Caps		
		For the years ended 31 December		For the six months ended	For the years ending 31 December		
		2018	2019	30 June 2020*	2021	2022	2023
(RMB in millions)							
<b>Office buildings</b>	Rents and management fees	18	18	7	30	30	30
<b>Sites</b>	Rents	93	41	30	90	90	90
<b>Total</b>	Rents and management fees	<b>111</b>	<b>59</b>	<b>37</b>	<b>120</b>	<b>120</b>	<b>120</b>

\* Unaudited

### ***For Properties Leased from CTC and Its Associates***

The historical figures and proposed annual caps of such transactions (in relation to leases with a term of 12 months or less) for the relevant period are set out below:

		Historical Figures			Proposed Annual Caps		
		For the years ended 31 December		For the six months ended	For the years ending 31 December		
		2018	2019	30 June 2020*	2021	2022	2023
		(RMB in millions)					
<b>Office buildings</b>	Rents and management fees	85	62	9	50	50	50
<b>Sites</b>	Rents	180	115	49	150	150	150
<b>Total</b>	Rents and management fees	<b>265</b>	<b>177</b>	<b>58</b>	<b>200</b>	<b>200</b>	<b>200</b>

\* Unaudited

### **Basis of Proposed Annual Caps**

In determining the proposed annual caps for the transactions contemplated under the 2021-2023 Property Lease Framework Agreements, the Company have considered, among other things, the following key factors:

- historical transaction amounts mentioned above, especially the highest annual transaction amount ;
- rents and management fees already paid under the existing leases with each of the Telecom Group Companies and their respective associates;
- approximately 9,500, 2,200 and 5,600 sites were under leases<sup>1</sup> as at 30 June 2020 by the Group from CMCC and its associates, CUC and its associates and CTC and its associates, respectively, and the expected increase in the number of such leases due to the increasing sharing demand of the clients of the Group on certain properties;
- 17, 99 and 107 office buildings were under leases<sup>2</sup> as at 30 June 2020 by the Group from CMCC and its associates, CUC and its associates and CTC and its associates, respectively;
- the growth rate of the rents and management fees of the leased properties in the previous periods, and the expected rate of such growth in the upcoming years due to the influence of inflation, especially on rents for office buildings; and
- the fact that the Group will keep leasing properties including sites and facilities owned by Telecom Group Companies to operate relevant tower in certain circumstances of co-location.

1 based on the number of site lease agreements entered into.

2 based on the number of office building lease agreements entered into.

## Reasons and Benefits of the Transaction

When leasing properties in the ordinary and usual course of the business of the Group, the Group select properties and landlords based on the internal evaluation and selection procedures taking into account various factors including business needs, the rentals charged and location of the properties. The Group select the most suitable landlord among the candidates which comprise both connected persons and Independent Third Parties.

The majority of the properties leased by us from each of the Telecom Group Companies and their respective associates are related to the main businesses of the Group. The rest of the properties leased by the Group from them are mainly offices. The Company entered into such arrangements with the Telecom Group Companies due to the suitability of the locations, prices and quality of the properties offered by them. In addition, as there are generally operating assets (such as towers) located on those leased properties, having considered the business relationships between the Company and each of the Telecom Group Companies and their respective associates, leasing properties from them is considered beneficial to us for safeguarding operating assets of the Company, and to the stability of the business operation of the Company.

## 2021-2023 SERVICE SUPPLY FRAMEWORK AGREEMENTS

As the Service Supply Framework Agreements between the Company and each of the Telecom Group Companies will expire on 31 December 2020, the Company entered into the 2021-2023 Service Supply Framework Agreements on 19 October 2020 with each of the Telecom Group Companies on substantially the same terms and conditions of the Service Supply Framework Agreements, respectively, pursuant to which each of the Telecom Group Companies and its respective associates will provide construction, design, supervision, outsourcing maintenance, intermediary, supply chain and/or training services to the Group. The associates of each of the Telecom Group Companies, respectively, shall enter into separate agreements with the Company or its relevant provincial branches, which shall set out specific terms and conditions pursuant to the principles and conditions provided in the 2021-2023 Service Supply Framework Agreements.

### Principal Terms

#### *Service Provided*

The services provided by each of the Telecom Group Companies and their respective associates under the 2021-2023 Service Supply Framework Agreements include:

- **construction service:** construction of individual projects, including but not limited to, construction and transformation of new and existing shelters of wireless base stations, height extension holders for antennas, base station ancillaries, distributed antenna systems, tunnel distribution systems and relevant ancillaries on the construction site or integration services;
- **design service:** consultancy, plan, survey, design, detection and optimization and review services for proposed construction or transformation projects, including but not limited to, technical consulting, network planning, feasibility study, plan design, project design, assistance in materials procurement, project acceptance, tower testing, lightning devices testing, environment testing and network optimization for individual construction projects;

- **supervision service:** supervision of individual construction projects, including but not limited to, reviewing the construction organization designs and technical plans, the progress plans of the constructions, and the technical measures for ensuring quality, safety and civilized construction provided by contractors, verifying the qualification of third parties (such as contractors) and their staff and the technical equipment they use in the constructions and providing on-site supervision of the quantity and quality of materials provided, supervising quality and safety of projects during construction phase and examining the completion and settlement of projects;
- **outsourcing maintenance service:** maintenance and repairment of telecommunications towers and base stations infrastructure ancillary facilities, including but not limited to, on-site maintenance of the telecommunications towers, base stations and other ancillary facilities (including but not limited to the environmental facilities, batteries, air conditioners, power distribution boxes) and DAS, and gasoline or diesel power generation services;
- **intermediary service:** including tender/procurement agent services, i.e. services in relation to tender/procurement as instructed or authorised by the Group in accordance with relevant laws and regulations, including but not limited to, designing, amending and adjusting the tender/procurement plans, preparing and amending tender/procurement documents that comply with relevant laws and standards, issuing tender/procurement announcements, issuing tender/procurement documents, organizing meetings to explain and answer questions related to tender/procurement documents, collecting tender/answer documents, organizing bid openings in accordance with relevant regulations of the PRC, reviewing bids in due procedure, assisting the Group in determining the winning bidder, participating in commercial negotiations, meetings and discussions with the bidding parties on behalf of the Group, assisting in assessing the bidding, participating in the preparation, amendment and negotiation of relevant contractual documents, conducting or assisting the Group in conducting the whole application and registration procedures during the bidding processes;
- **supply chain service:** supply chain services for individual construction projects, including but not limited to services relating to all aspects of supply chain, such as warehouse hosting, logistics and distribution, reverse logistics, logistics solutions consulting, terminal equipment sales, import and export agency, waste materials auction, product quality inspection and product repairment and maintenance; and/or
- **training service:** various technical, management and practical trainings, and third-party certification services for occupation or skill.

### ***Service Period***

The 2021-2023 Service Supply Framework Agreements are valid from 1 January 2021 to 31 December 2023.

## Pricing Policy

Transaction terms, such as services fees, payment method and miscellaneous expenses will be determined in accordance with relevant market price. If there is no market price, in order to make sure the prices of services offered are fair and reasonable, the parties shall refer to historical prices related to the services and, after collecting the information of market prices of such services in the industry through channels such as bids from other providers of similar services, determine the price based on average profit margin in the market or financial cost margin before agreeing on the pricing. Such costs include costs of raw materials, accessories, depreciation, labor, energy, management cost, financial fees and payable taxes and fees.

In determining the pricing standards, the parties should at least consider two comparable transactions entered into with the Independent Third Parties holding the same qualifications and conditions as those of the Telecom Group Companies and their associates during the same period where practical. The Group shall determine the specific method for providing project design/construction services through bidding or other procurement processes. Telecom Group Companies and their respective associates which participate in the bidding shall have the qualifications and conditions not inferior to those of the Independent Third Parties, and shall participate in the bidding or other procurement processes on equal terms with the Independent Third Parties. In such case, both parties shall determine the pricing in accordance with the final prices agreed in the bidding or other procurement processes.

## Historical Figures and Proposed Annual Caps

The historical figures and proposed annual caps of transactions contemplated under the 2021-2023 Service Supply Framework Agreements with each of the Telecom Group Companies for the relevant period are set out below:

	Historical Figures			Proposed Annual Caps		
	For the years ended 31 December		For the six months ended	For the years ending 31 December		
	2018	2019	30 June 2020*	2021	2022	2023
Transactions with CMCC and its associates	898	548	279	638	684	730
Transactions with CUC and its associates	634	526	239	580	630	681
Transactions with CTC and its associates	6,591	4,906	2,297	5,638	6,169	6,705

\* Unaudited

## **Basis of Proposed Annual Caps**

In determining the proposed annual caps for the transactions contemplated under the 2021-2023 Service Supply Framework Agreements, the Company have considered, among other things, the following key factors:

- historical transaction amounts set out above, especially the highest historical transaction amount;
- in 2019 and 2020, there were substantial decreases in the service fees of certain services that the Group were able to obtain through bidding processes due to the adjustment of standards of certain service as requested by some clients of the Group, which resulted in the decreases in the historical transaction amounts as set out above. However, we expect that there will be no such substantial decrease in the service fees under the 2021-2023 Service Supply Framework Agreement in the future; instead, such service fees are expected to remain stable in general;
- the increasing demand of the Group for outsourcing maintenance services due to the increase of the number of towers and other products in operation as well as the prospect of 5G's future development;
- it is expected that demand of the Company for design, construction and supervision services tends to increase stably in accordance with the current business and construction plan of the Company; and
- market condition, availability and the reasonable price range expected for construction, design, supervision, outsourcing maintenance, intermediary, supply chain and training services provided by each of the Telecom Group Companies and their respective associates.

## **Reasons and Benefits of the Transaction**

The Company is in need of the types of services under the 2021-2023 Service Supply Framework Agreements in order to carry out its continuing business activities. The Group adopts methods such as bidding process to select relevant service providers in a fair and open manner during its ordinary and usual course of business. The Group is able to select freely among connected persons including the Telecom Group Companies and their respective associates or carry out transactions with Independent Third Parties to seek services based on a consistent standard. The Telecom Group Companies and their respective associates may become relevant service providers of the Group if they meet the standards (same standards as those for Independent Third Parties) of the Group in those procedures. The services under the 2021-2023 Service Supply Framework Agreements are not exclusive. Besides, due to the long-term cooperation between each of the Telecom Group Companies and their respective associates and the Group, they understand the business requirement of the Group and therefore could provide the Group with quality services.

## **2021-2023 SITE RESOURCE SERVICE FRAMEWORK AGREEMENT**

As the Site Resource Service Framework Agreement between the Company and CMCC will expire on 31 December 2020, the Company entered into the 2021-2023 Site Resource Service Framework Agreement on 19 October 2020 with CMCC on substantially the same terms and conditions of the Site Resource Service Framework Agreement, pursuant to which the Group should provide CMCC and its associates with site resources and relevant integrated services.

### **Principal Terms**

#### ***Service Provided***

Pursuant to the 2021-2023 Site Resource Service Framework Agreement, the Group should provide CMCC and its associates with (i) site resources which enable CMCC and its associates to host non-telecommunications equipment (including but not limited to video surveillance and environmental surveillance equipment), and (ii) integrated services to maintain a smooth operation of the aforesaid equipment, such as equipment installation, site maintenance and power services.

#### ***Service Period***

The 2021-2023 Site Resource Service Framework Agreement is valid from 1 January 2021 to 31 December 2023.

### **Pricing Policy**

The price for the transactions under the 2021-2023 Site Resource Service Framework Agreement shall be determined by both parties on an arms' length negotiation based on the market prices in accordance with the principle of fairness and justice and with reference to (i) the actual business needs of CMCC and its associates including specific locations, sizes, quantities and periods, and (ii) the quality, costs and reasonable profits of the services provided by the Group.

The pricing mechanism and the price determined shall be in compliance with the applicable requirements of the Listing Rules and the guidance letters updated by the Stock Exchange from time to time.

### **Historical Figures and Proposed Annual Caps**

For the two years ended 31 December 2018 and 2019 and the six months ended 30 June 2020, the aggregate service fees from CMCC and its associates by the Group were RMB59 million, RMB85 million and RMB74 million, respectively.

The proposed annual caps for transactions under the 2021-2023 Site Resource Service Framework Agreement with CMCC for the three years ending 31 December 2021, 2022 and 2023 shall be RMB240 million, RMB350 million and RMB500 million, respectively.

## **Basis of Proposed Annual Caps**

The proposed annual caps under the 2021-2023 Site Resource Service Framework Agreement set out above are determined based on the following:

- the historical transaction amounts set out above and their increasing trend;
- the explosive growth in the overall demand for informatization and information transmission across the industry brought by the rapid development of technologies such as Internet of Things, big data and AI;
- against the background of the above industry development, due to the continuous growth of the business scale of CMCC and its associates, leveraging on the dedicated Internet access resources and integrated solution capabilities, CMCC's and its associates' business of providing comprehensive information services for the informatization of various industries having been developing rapidly. As a result, their demands for the site resource service provided by the Group are expected to increase rapidly as well; and
- preliminary cooperation intentions under negotiations and already agreed currently in various regions in the PRC between CMCC and its associates and the Group on future provision of site resource service.

## **Reasons and Benefits of the Transaction**

Entering into the 2021-2023 Site Resource Service Framework Agreement can streamline the provision of site resource service by the Group to CMCC and its associates and enable the Group to manage such transactions efficiently. Entering into the 2021-2023 Site Resource Service Framework Agreement with the proposed annual caps would encourage CMCC and its associates to obtain such service from the Group and would therefore be beneficial to the Company.

Entering into the 2021-2023 Site Resource Service Framework Agreement is (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) fair and reasonable, and in the interests of the Company and its shareholders as a whole. The proposed annual caps under the 2021-2023 Site Resource Service Framework Agreement for the three years ending 31 December 2021, 2022 and 2023 are also fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

## **THE MATERIALS PROCUREMENT FRAMEWORK AGREEMENT WITH CTC**

As disclosed in the Prospectus, the Company has in its ordinary and usual course of business procured materials from CTC and its associates on normal commercial terms such as softwares and accessories and parts required by business, and each of the applicable percentage ratios for such transactions calculated in accordance with the Listing Rules was below 0.1% on an annual basis and thus such transactions fell within the *de minimis* threshold as stipulated under Rule 14A.76 of the Listing Rules and were fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Based on the internal review on continuing connected transactions in 2020, the Company expects that the transaction amount of such transactions for each of the years of 2020 and 2021 is expected to exceed the *de minimis* threshold under Rule 14A.76 of the Listing Rules. The Company has therefore entered into the Materials Procurement Framework Agreement with CTC on 19 October 2020, taking effect from the date of execution and expiring on 31 December 2021.

### **Date**

19 October 2020

### **Parties**

- (1) the Company; and
- (2) CTC

### **Procurement of Materials from CTC and Its Associates**

The Group adopts a standard process of procurement of products from suppliers which include Independent Third Parties as well as connect persons through its "E-procurement Platform", which provides the information of the suppliers, their products and the prices of the products. Pursuant to the Materials Procurement Framework Agreement, the Group will purchase the products from CTC and its associates as listed on its "E-procurement Platform" from time to time. The Group procured and is expected to continue to procure materials from CTC and its associates such as equipment hardware, installation materials, supporting cables, spare parts, related software licenses and technical documents and receive related supporting services provided by them.

### **Contract Period**

The Materials Procurement Framework Agreement becomes effective on the date of its execution and will expire on 31 December 2021.

## **Pricing Policy**

The prices for the purchase of the materials shall be determined by the contracting parties in accordance with the requirements of relevant state laws and regulations and the relevant management rules of the Group.

Transaction terms, such as services fees, payment method and miscellaneous expenses will be determined in accordance with relevant market price. If there is no market price, the parties shall refer to historical prices related to the materials or, collect the information of market prices of such services in the industry through channels such as bids from other providers of similar services and at least consider two comparable transactions entered into with the Independent Third Parties holding the same qualifications and conditions as those of the Telecom Group Companies and their associates during the same period where practical. When neither historical prices nor comparable market transaction prices are available, in order to make sure the prices of services offered are fair and reasonable, the parties shall determine the price based on average profit margin in the market or financial cost margin. Such costs include costs of raw materials, accessories, depreciation, labor, energy, management cost, financial fees and payable taxes and fees.

The Group shall determine the specific type for materials to be procured through bidding or other processes. CTC and its associates which participate in the bidding shall have the qualifications and conditions not inferior to those of the Independent Third Parties, and shall participate in the bidding or other procurement processes on equal terms with the Independent Third Parties. In such case, both parties shall determine the pricing in accordance with the final prices agreed in the bidding or other procurement processes.

If a governmental agency issues a governmental price for the materials to be traded under the agreement during the term of the agreement, the price shall be adjusted with reference to the governmental price.

## **Historical Figures and Proposed Annual Caps**

For the two years ended 31 December 2018 and 2019 and the six months ended 30 June 2020, the aggregate amount of materials procured from CTC and its associates by the Group were RMB10 million, RMB60 million and RMB43 million, respectively.

The proposed annual caps for transactions under the Materials Procurement Framework Agreement for the two years ending 31 December 2020 and 2021 shall be RMB120 million and RMB200 million, respectively.

## **Basis of Proposed Annual Caps**

The proposed annual caps under the Materials Procurement Framework Agreement set out above are determined based on the following:

- the historical figures and the increase of transaction amount of relevant transactions;
- the historical revenue, growth rate and the expected future development of the TSSAI business;
- the expected increase in the price of materials to be procured; and
- preliminary cooperation intentions under negotiations currently and already agreed in various regions in the PRC between CTC and its associates and the Group on future procurement of materials.

## **Reasons for and Benefits of Entering into the Materials Procurement Framework Agreement**

Due to the standard process of procurement of products mentioned above, the Company inevitably procures materials from CTC and its associates in the Company's ordinary and usual course of business from time to time. Entering into the Materials Procurement Framework Agreement can streamline the procurement of materials by the Group from CTC and its associates and enable the Group to manage such transactions efficiently.

Entering into the Materials Procurement Framework Agreement is (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) fair and reasonable, and in the interests of the Company and its shareholders as a whole. The proposed annual caps under the Materials Procurement Framework Agreement for the two years ending 31 December 2020 and 2021 are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

## **INTERNAL CONTROL MEASURES ON CONTINUING CONNECTED TRANSACTIONS**

To safeguard the interests of the shareholders as a whole, including the minority shareholders, the Company has put in place internal approval and monitoring procedures relating to the connected transactions, which include the following:

- the pricing of the connected transactions should be no less favorable to the Company than the prices provided by the Independent Third Parties or provided to the Independent Third Parties in respect of similar products or services. If there is no market prices or the pricing is restricted, the written agreements shall set out the standard for the cost and profit of the relevant transactions;
- the Company has established the connected transaction committee, comprising of all independent non-executive Directors and one executive Director. The connected transaction committee will consider the connected transactions requiring approval from the Board and/or shareholders' general meeting, and provide opinion thereof to the Board;
- the independent non-executive Directors and auditors will conduct annual review of the non-exempt continuing connected transactions and provide annual confirmations in accordance with the Listing Rules (as applicable) that the non-exempt continuing connected transactions are conducted in accordance with the terms of the relevant agreements, on normal commercial terms and in accordance with the pricing policy and/or do not exceed the proposed applicable annual caps; and
- we have formulated internal guidelines according to the Listing Rules, which provide approval procedures for connected transactions including:
  - o the finance departments of our provincial branches shall review the transaction amounts of relevant continuing connected transactions quarterly;

- o in respect of the connected transactions not governed by the existing framework agreements (if any), our provincial branches shall communicate with the headquarters in advance and provide necessary documents to facilitate related decision-making and disclosure process;
- o the Company shall collect the transaction amount information monthly and conduct analysis of the data quarterly to manage the connected transactions; and
- o additional approvals are required for transactions exceeding the proposed annual caps (if applicable).

## **INFORMATION OF THE PARTIES**

### **Information of the Company**

The Company, as the world's largest telecommunications tower infrastructure service provider, is primarily engaged in tower business, DAS business, trans-section site application and information business, and energy operation business.

### **Information of CMCC**

CMCC is a state-owned enterprise incorporated under the laws of the PRC. The business of CMCC and its subsidiaries primarily consists of mobile voice and data business, fixed broadband and other information and communications services.

### **Information of CUC**

CUC is a state-owned enterprise incorporated under the laws of the PRC. CUC and its subsidiaries are principally engaged in telecommunications and related businesses in the PRC, including providing fixed-lined telephone, mobile, broadband and Internet-based services across the PRC.

### **Information of CTC**

CTC is a state-owned enterprise incorporated under the laws of the PRC. The principal business of CTC and its subsidiaries is providing wireline & mobile telecommunications services, Internet access services, information services and other value-added telecommunications services primarily in the PRC.

## LISTING RULES IMPLICATIONS

China Mobile Company is a substantial shareholder of the Company directly holding approximately 27.93% of the share capital of the Company. CMCC, through China Mobile, indirectly controls China Mobile Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the 2021-2023 Property Lease Framework Agreement, the 2021-2023 Service Supply Framework Agreement and the 2021-2023 Site Resource Service Framework Agreement between the Company and CMCC will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

China Unicom Corporation is a substantial shareholder of the Company directly holding approximately 20.65% of the share capital of the Company. CUC, through China Unicom Group Corporation (BVI) Limited, China United Network Communications Limited, China Unicom (BVI) Limited and China Unicom (Hong Kong) Limited, indirectly controls China Unicom Corporation and is therefore a connected person of the Company under each of the Listing Rules. Accordingly, the transactions contemplated under the 2021-2023 Property Lease Framework Agreement and the 2021-2023 Service Supply Framework Agreement between the Company and CUC will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

China Telecom is a substantial shareholder of the Company directly holding approximately 20.50% of the share capital of the Company. CTC controls China Telecom and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the 2021-2023 Property Lease Framework Agreement, the 2021-2023 Service Supply Framework Agreement and the Materials Procurement Framework Agreement between the Company and CTC will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. However, as allowed under IFRS 16, the Company has elected not to recognise right-of-use assets and lease liabilities for lease that at the commencement date have a lease term of 12 months or less and thus recognises the lease payments associated with such leases as an expense on a straightline basis over the lease term. As the terms of substantially all leases under the 2021-2023 Property Lease Framework Agreements are 12 months or less, such leases and the property management services to be received by the Company under the 2021-2023 Property Lease Framework Agreements will be continuing connected transactions of the Company and the transaction amounts and proposed annual caps for such transactions represent the amount of rents and management fees to be paid by the Company under the relevant agreements on an annual basis. Where the terms of any leases under the 2021-2023 Property Lease Framework Agreements are longer than 12 months, the Company will recognise right-of-use assets and lease liabilities for such leases.

The Company currently expects that the highest applicable percentage ratios under Rule 14.07 of the Listing Rules for the increasing value of the right-of-use assets and lease liabilities recognised for leases with a term of more than 12 months under the 2021-2023 Property Lease Framework Agreements each year will be less than 0.1%, therefore, any connected transactions or continuing connected transactions in relation to such leases will be *de minimus* transactions exempted under rule 14A.76(1)(a) of the Listing Rules.

As the highest applicable percentage ratios under Rule 14.07 of the Listing Rules for the proposed annual caps of the transactions contemplated under each of the 2021-2023 Property Lease Framework Agreements (in relation to leases with a term of 12 months or less), the 2021-2023 Service Supply Framework Agreement with CMCC, the 2021-2023 Service Supply Framework Agreement with CUC, the 2021-2023 Site Resource Service Framework Agreement and the Materials Procurement Framework Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the 2021-2023 Property Lease Framework Agreements (in relation to leases with a term of 12 months or less), the 2021-2023 Service Supply Framework Agreement with CMCC, the 2021-2023 Service Supply Framework Agreement with CUC, the 2021-2023 Site Resource Service Framework Agreement and the Materials Procurement Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the proposed annual caps of the transactions contemplated under the 2021-2023 Service Supply Framework Agreement with CTC exceeds 5%, the transactions contemplated under the 2021-2023 Service Supply Framework Agreement with CTC are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

Mr. Gao Tongqing, a non-executive Director, has abstained from voting on the Board resolution for considering and approving the 2021-2023 Property Lease Framework Agreement with CMCC, the 2021-2023 Service Supply Framework Agreement with CMCC and the 2021-2023 Site Resource Service Framework Agreement, and the transactions contemplated thereunder (including the proposed annual caps thereof) due to his administrative positions in CMCC and/or its associates.

Mr. Mai Yanzhou, a non-executive Director, has abstained from voting on the Board resolution for considering and approving the 2021-2023 Property Lease Framework Agreement with CUC and the 2021-2023 Service Supply Framework Agreement with CUC, and the transactions contemplated thereunder (including the proposed annual caps thereof) due to his administrative positions in CUC and/or its associates.

Mr. Zhang Zhiyong, a non-executive Director, has abstained from voting on the Board resolution for considering and approving the 2021-2023 Property Lease Framework Agreement with CTC, the 2021-2023 Service Supply Framework Agreement with CTC and the Materials Procurement Framework Agreement, and the transactions contemplated thereunder (including the proposed annual caps thereof) due to his administrative positions in CTC and/or its associates.

Save for the above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no other Director has material interest in the above agreements and the transactions contemplated thereunder that will be required to abstain from voting on the relevant resolutions at the Board meeting.

Details of the above agreements will be disclosed in the Company's next published annual report and accounts, as required under Rules 14A.71 and 14A.72 of the Listing Rules.

## **BOARD OPINION**

The Board (including the independent non-executive Directors of the Company) is of the view that the 2021-2023 Property Lease Framework Agreements, the 2021-2023 Service Supply Framework Agreement with CMCC, the 2021-2023 Service Supply Framework Agreement with CUC, the 2021-2023 Site Resource Service Framework Agreement and the Materials Procurement Framework Agreement and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Company and are on normal commercial terms or better, and the terms, as well as the relevant proposed annual caps, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

The Board (excluding the members of the Independent Board Committee, the opinion of which, after taking into account the advice from the Independent Financial Adviser, will be included in the circular to be despatched to the shareholders of the Company) is of the view that 2021-2023 Service Supply Framework Agreement with CTC and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Company and they are on normal commercial terms or better, and the terms, as well as the relevant proposed annual caps, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **THE EGM**

The EGM will be convened to consider and, if thought fit, to approve the 2021-2023 Service Supply Framework Agreement with CTC and the relevant proposed annual caps. Pursuant to Rule 14A.36 of the Listing Rules, any shareholder with a material interest in the relevant continuing connected transactions is required to abstain from voting on the relevant resolutions at the EGM. Accordingly, China Telecom, a subsidiary of CTC, is required to abstain from voting on the resolution in respect of such agreement and the relevant proposed annual caps at the EGM.

An Independent Board Committee comprising all of the independent non-executive Directors of the Company, namely Mr. Fan Cheng, Mr. Tse Yung Hoi and Mr. Deng Shiji, has been formed to advise the Independent Shareholders in respect of, the 2021-2023 Service Supply Framework Agreement with CTC and the relevant proposed annual caps. The Company has appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of, among other things, the 2021-2023 Service Supply Framework Agreement with CTC and the relevant proposed annual caps.

A circular containing, among other things, (i) details of the 2021-2023 Service Supply Framework Agreement with CTC and the relevant proposed annual caps; (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, is expected to be despatched to the shareholders of the Company on or before 10 November 2020.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings set out below:

“2021-2023 Property Lease Framework Agreement(s)”	the property lease framework agreement dated 19 October 2020 between the Company and each of the Telecom Group Companies
“2021-2023 Service Supply Framework Agreement(s)”	the service supply framework agreement dated 19 October 2020 between the Company and each of the Telecom Group Companies
“2021-2023 Site Resource Service Framework Agreement”	the agreement dated 19 October 2020 entered into between the Company and CMCC in relation to the provision of site resource service by the Company to CMCC and its associates
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors of the Company
“China Mobile”	China Mobile Limited (中國移動有限公司), a company incorporated under the laws of Hong Kong and listed on the Hong Kong Stock Exchange (stock code: 0941) and the New York Stock Exchange (stock code: CHL), respectively, which held the entire equity interest in China Mobile Company as of the date of this announcement and is a substantial shareholder of the Company
“China Mobile Company”	China Mobile Communication Company Limited (中國移動通信有限公司), a company incorporated under the laws of the PRC which holds approximately 27.93% equity interest in the Company and is a substantial shareholder of the Company as of the date of this announcement
“China Telecom”	China Telecom Corporation Limited (中國電信股份有限公司), a company incorporated under the laws of the PRC which holds approximately 20.50% equity interest in the Company and is a substantial shareholder of the Company as of the date of this announcement
“China Unicom Corporation”	China United Network Communications Corporation Limited (中國聯合網絡通信有限公司), a company incorporated under the laws of the PRC which holds approximately 20.65% equity interest in the Company and is a substantial shareholder of the Company as of the date of this announcement

“CMCC”	China Mobile Communications Group Co., Ltd. (中國移動通信集團有限公司), a state-owned enterprise incorporated under the laws of the PRC which is a substantial shareholder of the Company as of the date of this announcement
“the Company”	China Tower Corporation Limited (中國鐵塔股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0788)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“CTC”	China Telecommunications Corporation (中國電信集團有限公司), a state-owned enterprise incorporated under the laws of the PRC which is a substantial shareholder of the Company as of the date of this announcement
“CUC”	China United Network Communications Group Company Limited (中國聯合網絡通信集團有限公司), a state-owned enterprise incorporated under the laws of the PRC which is a substantial shareholder of the Company as of the date of this announcement
“DAS”	indoor distributed antenna system, which is a system comprising of facilities for reception, emission and transmission of wireless communications signal for covering buildings, tunnels or other specific areas
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and approve the 2021-2023 Service Supply Framework Agreement with CTC and the relevant proposed annual caps, the notice of which will be set out in the circular, or any adjournment thereof
“the Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“IFRS 16”	International Financial Reporting Standard No. 16 “Leases”, which has become effective on 1 January 2019
“Independent Board Committee”	an independent board committee, comprising all of the independent non-executive Directors of the Company, namely Mr. Fan Cheng, Mr. Tse Yung Hoi and Mr. Deng Shiji, formed to advise the Independent Shareholders in respect of, among others, the 2021-2023 Service Supply Framework Agreement with CTC
“Independent Financial Adviser”	an independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of, among others, the 2021-2023 Service Supply Framework Agreement with CTC
“Independent Shareholders”	shareholders of the Company other than CTC and its associates
“Independent Third Party”	an entity which is independent of and not connected to the Company or its connected persons, and is not a connected person 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)
“Materials Procurement Framework Agreement”	the materials procurement framework agreement dated 19 October 2020 between the Company and CTC
“PRC”	the People’s Republic of China
“Property Lease Framework Agreement(s)”	the property lease framework agreement dated 15 July 2018 between the Company and each of the Telecom Group Companies
“Prospectus”	the prospectus of the Company dated 25 July 2018
“RMB”	Renminbi, the lawful currency of the PRC
“Service Supply Framework Agreement(s)”	the service supply framework agreement dated 15 July 2018 between the Company and each of the Telecom Group Companies

“Site Resource Service Framework Agreement”	the agreement dated 19 December 2019 entered into between the Company and CMCC in relation to the provision of site resource service by the Company to China Mobile Company and its associates
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Telecom Group Companies”	the ultimate controlling shareholders of each of the Telecom Shareholders, namely CMCC, CUC and CTC
“Telecom Shareholders”	the three telecommunications service providers as shareholders of the Company, namely China Mobile Company, China Unicom Corporation and China Telecom
“tower”	a high-erected steel structure or a pole for hosting antennas or other equipment
“TSSAI business”	trans-sector site application and information business of the Company
“%”	per cent

On behalf of the Board  
**China Tower Corporation Limited**  
**Tong Jilu**  
*Chairman*

Beijing, China, 19 October 2020

*As at the date of this announcement, the Board of Directors of the Company comprises:*

<i>Executive directors</i>	<i>: Tong Jilu (Chairman of the Board) and Gu Xiaomin (General Manager)</i>
<i>Non-executive directors</i>	<i>: Gao Tongqing, Mai Yanzhou and Zhang Zhiyong</i>
<i>Independent non-executive directors</i>	<i>: Fan Cheng, Tse Yung Hoi and Deng Shiji</i>