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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)

ANNOUNCEMENT ON THE IMPLEMENTATION OF THE OVER-ALLOTMENT OPTION FOR THE INITIAL PUBLIC OFFERING OF A SHARES

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The over-allotment option for the initial public offering of RMB ordinary shares (A Shares) and listing of China Telecom Corporation Limited (the “Company”) on the main board of the Shanghai Stock Exchange (the “A Share Offering”) has expired on 22 September 2021. Particulars of the implementation of the over-allotment option for the A Share Offering are as follows:

I. Details of Over-allotment for the A Share Offering

Taking into consideration of the subscription status of the A Share Offering on 9 August 2021, the Company and the joint lead underwriters agreed to exercise the over-allotment option, to over-allocate 1,559,420,000 A Shares to online investors at the issue price of RMB4.53 per share of the A Share Offering, representing approximately 15.00% of the initial shares offered under the A Share Offering before the over-allotment option was exercised. A Shares under the over-allotment were obtained from the strategic investors under the A Share Offering who were subject to deferred settlement.

II. Exercise of Over-allotment Option

The post-listing stabilisation period of the A Share Offering of the Company is within 30 calendar days from the date of listing of A Shares on the Shanghai Stock Exchange (the “A Share Listing Date”) (including the 30th calendar day, if the 30th calendar day is a public holiday, it would be postponed to the next trading day). The expiry date of the stabilisation period of the A Share Offering is 22 September 2021. During the post-listing stabilisation period of the A Share Offering (i.e. from 20 August 2021 to 22 September 2021), China International Capital Corporation Limited, as the joint lead underwriter in charge of the implementation of the over-allotment option for the A Share Offering (the “Authorised Lead Underwriter”), used the funds obtained from the over-allotment of the A Share Offering to purchase a total of 1,380,784,889 A Shares of the A Share Offering of RMB6,254,955,547.17 from the secondary market by auction and all shares were acquired at RMB4.53 per share.

The over-allotment option for the A Share Offering has expired on 22 September 2021. The Company issued additional 178,635,111 A Shares based on the initial issuance of 10,396,135,267 A Shares at the issue price of RMB4.53 per share under the A Share Offering, representing approximately 1.7% of the initial shares of the A Share Offering before the over-allotment option was exercised. The total amount of funds raised by the Company is RMB809,217,052.83, together with the total amount of funds raised from the initial issuance of 10,396,135,267 A Shares of RMB47,094,492,759.51, the total amount of funds raised from the A Share Offering is RMB47,903,709,812.34. The net amount of funds raised after deducting the offering expenses of approximately RMB388,086,908.35 is approximately RMB47,515,622,903.99.

The Authorised Lead Underwriter will apply and provide relevant materials within two working days after the end of the post-listing stabilisation period to place additional A Shares issued under the over-allotment option and the A Shares purchased from the secondary market by the Authorised Lead Underwriter to those investors under the deferred settlement arrangements. The A Shares allocated to strategic investors (including the A Shares with deferred settlement arrangements) will be locked up for 12 months from the A Share Listing Date (i.e. 20 August 2021), where the lock-up period for A Shares allocated to Oriental Pearl Group Co., Ltd, Huawei Technologies Co., Ltd, DBAPP Security Co., Ltd, Sangfor Technologies Inc. and Shanghai Bilibili Technology Co., Ltd is 36 months.

The final number of the shares issued in the A Share Offering is 10,574,770,378 shares, of which: 5,183,214,000 shares are allotted to the strategic investors, representing approximately 49.01% of the final number of the shares issued; 1,408,897,267 shares are allotted to the offline investors, representing approximately 13.32% of the final number of the shares issued; and 3,982,659,111 shares are allotted to the online investors, representing approximately 37.66% of the final number of the shares issued.

III. Changes in the Shareholding Structure of the Company Before and After the Exercise of the Over-allotment Option

As at 22 September 2021, the changes in the shareholding structure of the Company before and after the exercise of the over-allotment option are as follows:

Name of Shareholder	Before the exercise of the over-allotment option		After the exercise of the over-allotment option	
	Number of shares held	Percentage	Number of shares held	Percentage
	(Shares)	(%)	(Shares)	(%)
China Telecommunications Corporation	57,377,053,317	62.82	57,377,053,317	62.70
Guangdong Rising Holdings Group Co., Ltd.	5,614,082,653	6.15	5,614,082,653	6.14
Zhejiang Provincial Financial Development Co., Ltd	2,137,473,626	2.34	2,137,473,626	2.34
Fujian Investment & Development Group Co., Ltd	969,317,182	1.06	969,317,182	1.06
Jiangsu Guoxin Group Limited	957,031,543	1.05	957,031,543	1.05
Domestic strategic investors of A Share Offering	3,623,794,000	3.97	5,183,214,000	5.66
Restricted tradable shares issued offline	986,228,087	1.08	986,228,087	1.08
Total Restricted Tradable A Shares	71,664,980,408	78.47	73,224,400,408	80.02
Total Unrestricted Tradable A Shares	5,786,113,180	6.34	4,405,328,291	4.81
Total Overseas-Listed Foreign-Invested Shares (H Shares including American Depositary Shares)	13,877,410,000	15.20	13,877,410,000	15.17
Total	91,328,503,588	100.00	91,507,138,699	100.00

IV. Lock-up Periods for Shares of the Company

As at 22 September 2021, the lock-up periods for shares of the Company after the exercise of over-allotment option are as follows:

Name of Shareholder	Number of shares held (Shares)	Percentage (%)	Lock-up Periods
China Telecommunications Corporation	57,377,053,317	62.70	36 months
Guangdong Rising Holdings Group Co., Ltd.	5,614,082,653	6.14	12 months
Zhejiang Provincial Financial Development Co., Ltd	2,137,473,626	2.34	12 months
Fujian Investment & Development Group Co., Ltd	969,317,182	1.06	12 months
Jiangsu Guoxin Group Limited	957,031,543	1.05	12 months
Domestic strategic investors of A Share Offering	662,250,000	0.72	36 months
	4,520,964,000	4.94	12 months
Restricted tradable shares issued offline	986,228,087	1.08	6 months
Total Restricted Tradable A Shares	73,224,400,408	80.02	
Total Unrestricted Tradable A Shares	4,405,328,291	4.81	-
Total Overseas-Listed Foreign-Invested Shares (H Shares, including American Depositary Shares)	13,877,410,000	15.17	
Total	91,507,138,699	100.00	

Note: The lock-up periods commence from the A Share Listing Date (20 August 2021).

V. Use of Proceeds from the Over-allotment of A Shares

The net proceeds from the over-allotment of A Shares pursuant to the exercise of the over-allotment option are RMB803.7968 million, where the ultimate net proceeds of the A Share Offering are RMB47,515.6229 million. Including the proceeds from the over-allotment of A Shares, all the proceeds will be used on the three investment projects of the Company, namely 5G Industrial Internet Construction Project, the Cloud-network integration new information infrastructure project and the research and development project of sci-tech innovation.

The Company will effectively use the proceeds to further enhance its operating efficiency, strengthen risk management, fully protect its shareholders' interests, especially the minority shareholders' interests, and emphasis shareholders' returns in the middle to long term.

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

Beijing, China, 24 September 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).