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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
ENTERING INTO NEW CONTINUING CONNECTED TRANSACTIONS
AND
REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS**

(1) THE VALUE-ADDED SERVICE FRAMEWORK AGREEMENT WITH EACH OF THE TELECOM GROUP COMPANIES

We refer to the announcements of the Company (i) dated 19 October 2020 in relation to, among other things, the 2021-2023 Site Resource Service Framework Agreement with CMCC; and (ii) dated 19 October 2021 in relation to, among other things, the 2021-2023 Value-added Service Framework Agreement with CTC. The agreements mentioned above will expire on 31 December 2023.

In light of the above and the potential value-added service transactions between the Company and CUC and/or its associates, the Board announces that the Company and each of the Telecom Group Companies have entered into the Value-added Service Framework Agreement with each of the Telecom Group Companies on 27 November 2023, respectively. The principal terms of such agreements are set out below in this announcement.

(2) REVISION OF THE ANNUAL CAP FOR THE YEAR ENDING 31 DECEMBER 2023 UNDER THE 2021-2023 SERVICE SUPPLY FRAMEWORK AGREEMENT WITH CMCC

We refer to the announcement of the Company dated 19 October 2020 in relation to, among other things, the 2021-2023 Service Supply Framework Agreement with CMCC and the annual caps thereunder.

Due to the Company's increasing demand for services under the 2021-2023 Service Supply Framework Agreement with CMCC arising from the Company's business expansion, the Board expects that the annual transaction amount in respect of the services needed by the Company for the year ending 31 December 2023 under the 2021-2023 Service Supply Framework Agreement with CMCC will increase and is expected to exceed the existing annual cap for the year ending 31 December 2023. Therefore, the Board resolved to revise the existing annual cap for the year ending 31 December 2023 under the 2021-2023 Service Supply Framework Agreement with CMCC. Save for the Revised Annual Cap, other terms and conditions of the 2021-2023 Service Supply Framework Agreement with CMCC shall remain the same.

(3) THE 2024-2026 COMPREHENSIVE SERVICE FRAMEWORK AGREEMENT WITH CMCC

We refer to the announcements of the Company (i) dated 19 October 2020 in relation to, among other things, the 2021-2023 Service Supply Framework Agreement with CMCC and the 2021-2023 Property Lease Framework Agreement with CMCC; and (ii) dated 7 December 2022 in relation to, among other things, the 2022-2023 Materials Procurement Framework Agreement with CMCC and the 2022-2023 Transmission Resource and Cloud Resource Lease Framework Agreement with CMCC. The agreements mentioned above will expire on 31 December 2023.

The Board announces that the Company and CMCC have entered into the 2024-2026 Comprehensive Service Framework Agreement with CMCC on 27 November 2023 to renew the agreements mentioned above, for a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026. The principal terms of such agreement are set out below in this announcement.

(4) THE 2024-2026 SERVICE SUPPLY FRAMEWORK AGREEMENT WITH EACH OF CUC AND CTC

We refer to the announcement of the Company dated 19 October 2020 in relation to, among other things, the 2021-2023 Service Supply Framework Agreement with CUC and the 2021-2023 Service Supply Framework Agreement with CTC. The agreements mentioned above will expire on 31 December 2023.

The Board announces that the Company and each of CUC and CTC have entered into the 2024-2026 Service Supply Framework Agreement on 27 November 2023, respectively, each for a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026. The principal terms of such agreements are set out below in this announcement.

(5) THE 2024-2026 PROPERTY LEASE FRAMEWORK AGREEMENT WITH EACH OF CUC AND CTC

We refer to the announcement of the Company dated 19 October 2020 in relation to, among other things, the 2021-2023 Property Lease Framework Agreement with CUC and the 2021-2023 Property Lease Framework Agreement with CTC. The agreements mentioned above will expire on 31 December 2023.

The Board announces that the Company and each of CUC and CTC have entered into the 2024-2026 Property Lease Framework Agreement on 27 November 2023, respectively, each for a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026. The principal terms of such agreements are set out below in this announcement.

(6) THE 2024-2026 MATERIALS PROCUREMENT FRAMEWORK AGREEMENT WITH CTC

We refer to the announcement of the Company dated 19 October 2021 in relation to, among other things, the 2022-2023 Materials Procurement Framework Agreement with CTC, which will expire on 31 December 2023.

The Board announces that the Company and CTC have entered into the 2024-2026 Materials Procurement Framework Agreement on 27 November 2023, for a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026. The principal terms of such agreement are set out below in this announcement.

LISTING RULES IMPLICATIONS

As of the date of this announcement, 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 (i) the 2024-2026 Value-added Service Framework Agreement with CMCC and (ii) the 2024-2026 Comprehensive Service Framework Agreement with CMCC between the Company and CMCC will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As of the date of this announcement, 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 (i) the 2024-2025 Value-added Service Framework Agreement with CUC, (ii) the 2024-2026 Service Supply Framework Agreement with CUC and (iii) the 2024-2026 Property Lease Framework Agreement with CUC between the Company and CUC will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As of the date of this announcement, 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 (i) the 2024-2026 Value-added Service Framework Agreement with CTC, (ii) the 2024-2026 Service Supply Framework Agreement with CTC, (iii) the 2024-2026 Property Lease Framework Agreement with CTC and (iv) the 2024-2026 Materials Procurement Framework Agreement with CTC 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 straight-line basis over the lease term. As the terms of substantially all leases under the 2024-2026 Comprehensive Service Framework Agreement with CMCC and the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC are 12 months or less, such leases and the property management services to be received by the Company under such agreements will be continuing connected transactions of the Company and the transaction amounts and the 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 2024-2026 Comprehensive Service Framework Agreement with CMCC and the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC 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 2024-2026 Comprehensive Service Framework Agreement with CMCC and the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC 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 exempt 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 each of the transactions contemplated under the Value-added Service Framework Agreement with each of the Telecom Group Companies, the 2024-2026 Service Supply Framework Agreement with CUC, the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC (in relation to leases with a term of 12 months or less), the 2024-2026 Materials Procurement Framework Agreement with CTC, the proposed annual caps for each of the property lease and relevant services (in relation to leases with a term of 12 months or less), materials procurement service, transmission resource and cloud resource lease service, and non-telecommunications services under the 2024-2026 Comprehensive Service Framework Agreement with CMCC, and the Revised Annual Cap exceed 0.1% but are less than 5%, the transactions contemplated thereunder 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 for the transactions contemplated under the 2024-2026 Service Supply Framework Agreement with CTC exceeds 5%, the transactions contemplated under the 2024-2026 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 resolutions for considering and approving the 2024-2026 Value-added Service Framework Agreement with CMCC, the 2024-2026 Comprehensive Service Framework Agreement with CMCC, the transactions contemplated thereunder (including the proposed annual caps thereof) and the revision of the annual cap for the year ending 31 December 2023 under the 2021-2023 Service Supply Framework Agreement with CMCC, due to his administrative positions in CMCC and/or its associates.

Mr. Tang Yongbo, a non-executive Director, has abstained from voting on the Board resolutions for considering and approving the 2024-2025 Value-added Service Framework Agreement with CUC, the 2024-2026 Service Supply Framework Agreement with CUC and the 2024-2026 Property Lease 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. Liu Guiqing, a non-executive Director, has abstained from voting on the Board resolutions for considering and approving the 2024-2026 Value-added Service Framework Agreement with CTC, the 2024-2026 Service Supply Framework Agreement with CTC, the 2024-2026 Property Lease Framework Agreement with CTC and the 2024-2026 Materials Procurement Framework Agreement with CTC, 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 Value-added Service Framework Agreement with each of the Telecom Group Companies, the 2024-2026 Comprehensive Service Framework Agreement with CMCC, the 2024-2026 Service Supply Framework Agreement with CUC, the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC and the 2024-2026 Materials Procurement Framework Agreement with CTC and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Group. They are on normal commercial terms or better and shall be or have been implemented (as applicable) in accordance with the relevant terms contained therein, and the terms, as well as the relevant proposed annual caps or the Revised Annual Cap (if applicable), 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 2024-2026 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 Group 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 2024-2026 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, namely Mr. Zhang Guohou, Mr. Dong Chunbo, Mr. Hu Zhanghong and Mr. Sin Hendrick, has been formed to advise the Independent Shareholders in respect of, the 2024-2026 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 2024-2026 Service Supply Framework Agreement with CTC and the relevant proposed annual caps.

A circular containing, among other things, (i) details of the 2024-2026 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 18 December 2023.

(1) THE VALUE-ADDED SERVICE FRAMEWORK AGREEMENT WITH EACH OF THE TELECOM GROUP COMPANIES

On 19 October 2020, the Company and CMCC entered into the 2021-2023 Site Resource Service Framework Agreement with CMCC, which will expire on 31 December 2023. In light of the increasing transaction amount of value-added services provided by the Group to CMCC and/or its associates, based on the internal review of the continuing connected transactions of the Company in 2023, the Company and CMCC have entered into the 2024-2026 Value-added Service Framework Agreement with CMCC on 27 November 2023, pursuant to which the Group will provide value-added services to CMCC and/or its associates. The value-added services provided by the Group to CMCC and/or its associates under the 2024-2026 Value-added Service Framework Agreement include the site resource services under the 2021-2023 Site Resource Service Framework Agreement with CMCC and other relevant integrated services.

In light of the potential value-added service transactions between the Company and CUC and/or its associates, based on the internal review of the continuing connected transactions of the Company in 2023, the Company expects that the transaction amount of such transactions for each of the years ended 31 December 2023, 2024 and 2025 is expected to exceed the *de minimis* threshold under Rule 14A.76 of the Listing Rules but be less than 5%. The Company and CUC have therefore entered into the 2024-2025 Value-added Service Framework Agreement with CUC on 27 November 2023, pursuant to which the Group will provide value-added services to CUC and/or its associates.

The Company and CTC have entered into the 2024-2026 Value-added Service Framework Agreement with CTC on 27 November 2023 to renew the 2021-2023 Value-added Service Framework Agreement with CTC. The terms and conditions of the 2024-2026 Value-added Service Framework Agreement with CTC are substantially the same as the 2021-2023 Value-added Service Framework Agreement with CTC, pursuant to which the Group will provide value-added services to CTC and/or its associates.

The respective associates of each of the Telecom Group Companies shall enter into separate agreements with the Company or its relevant provincial/municipal branches, which shall set out specific terms and conditions (including but not limited to payment arrangement), pursuant to the principles and conditions provided in the Value-added Service Framework Agreement with each of the Telecom Group Companies.

Principal Terms

Services Provided

Pursuant to the Value-added Service Framework Agreement with each of the Telecom Group Companies, the Group should provide each of the Telecom Group Companies and/or their respective associates with:

- (a) site resources service: site resources service includes the provision of site resources which enable each of the Telecom Group Companies and/or their respective associates to host non-telecommunications equipment, and provides integrated services to maintain a smooth operation of such equipment, such as equipment installation, site maintenance and power services;
- (b) data information service: data information service refers to the provision of data collection, data transmission, data storage, data processing, data application and other data and information technology-driven services;
- (c) energy service: related services under the energy business provided by the Group to each of the Telecom Group Companies and/or their respective associates, including battery exchange service, power backup and generation service, battery charging service and other services; and
- (d) integrated and comprehensive outsourcing maintenance service: provision of outsourcing maintenance services by the Group for wireless master facilities, antenna feeder systems, transmission facilities, DAS facilities and related facilities owned by each of the Telecom Group Companies and/or their respective associates.

Service Period

Each of the 2024-2026 Value-added Service Framework Agreement with CMCC and the 2024-2026 Value-added Service Framework Agreement with CTC has a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026.

The 2024-2025 Value-added Service Framework Agreement with CUC shall take effect on 27 November 2023 and expire on 31 December 2025.

Pricing Policy

The prices for the value-added services shall be determined by the contracting parties in accordance with the requirements of applicable laws and regulations of the PRC and the relevant administrative rules of the Group.

Transaction terms, such as service fees, payment schedule and method as well as miscellaneous expenses shall be determined in accordance with relevant market price. If there is no market price, the parties shall refer to historical prices related to the services or, collect the information on market prices of such services in the industry through channels such as from other providers of similar services and consider at least two comparable transactions entered into between the Company and the Independent Third Party holding the same qualifications and conditions as those of each of the Telecom Group Companies and/or their respective associates during the same period where practical. When neither historical prices nor comparable market transaction prices are available, in order to make sure such prices offered are fair and reasonable, the parties shall determine the price based on average profit margin in the market or financial cost margin. The average profit margin in the market and financial cost margin for similar services are analysed based on the information of prices of similar services in the industry through channels such as from other providers. Such costs include costs of raw materials, accessories, depreciation, labor, energy, management cost, financial fees and payable taxes and fees, which shall be determined by the parties through arm's length negotiation with reference to the actual situation of the industry in which such business is conducted.

If a governmental agency issues a governmental price for the proposed transactions under the agreements during the term of the agreements, the price shall be adjusted with reference to the governmental price.

To provide services under the Value-added Service Framework Agreement with each of the Telecom Group Companies, the Company has established decision-making groups within the industry expansion departments and energy operation departments at the headquarters and provincial branches. The decision-making groups will review the proposed projects of the Company, including those transactions contemplated under the Value-added Service Framework Agreement with each of the Telecom Group Companies. In order to ensure the fairness and reasonableness of the service fees, the decision-making groups shall review, among others, the model of economic benefit assessment. The model includes several indicators such as revenue, cost, investment amount, funds under occupation and expenditure in cash. Where the calculation based on such factors shows that the gross profit margin for providing the service could not reach certain level as prescribed by the Group's internal management measures from time to time, such service would not be provided.

Historical Figures and Proposed Annual Caps

For value-added services provided to CMCC and/or its associates

The historical figures of value-added services provided by the Company to CMCC and/or its associates and the proposed annual caps of transactions contemplated under the 2024-2026 Value-added Service Framework Agreement with CMCC for the relevant periods are set out below:

<i>Historical figures</i>	For the year ended 31 December 2021 <i>RMB million</i>	For the year ended 31 December 2022 <i>RMB million</i>	For the nine months ended 30 September 2023* <i>RMB million</i>
Value-added services	183	264	292

* Unaudited

<i>Proposed annual caps</i>	For the years ending 31 December		
	2024 <i>RMB million</i>	2025 <i>RMB million</i>	2026 <i>RMB million</i>
Value-added services	600	800	1,000

For value-added services provided to CUC and/or its associates

The historical figures of value-added services provided by the Company to CUC and/or its associates and the proposed annual caps of transactions contemplated under the 2024-2025 Value-added Service Framework Agreement with CUC for the relevant periods are set out below:

<i>Historical figures</i>	For the year ended 31 December 2021 <i>RMB million</i>	For the year ended 31 December 2022 <i>RMB million</i>	For the nine months ended 30 September 2023* <i>RMB million</i>
Value-added services	69	85	82

* Unaudited

<i>Proposed annual caps</i>	For the years ending 31 December		
	2023 <i>RMB million</i>	2024 <i>RMB million</i>	2025 <i>RMB million</i>
Value-added services	150	300	500

For value-added services provided to CTC and/or its associates

The historical figures of value-added services provided by the Company to CTC and/or its associates and the proposed annual caps of transactions contemplated under the 2024-2026 Value-added Service Framework Agreement with CTC for the relevant periods are set out below:

<i>Historical figures</i>	For the year ended 31 December 2021 <i>RMB million</i>	For the year ended 31 December 2022 <i>RMB million</i>	For the nine months ended 30 September 2023* <i>RMB million</i>
Value-added services	208	308	235

* Unaudited

<i>Proposed annual caps</i>	For the years ending 31 December		
	2024 <i>RMB million</i>	2025 <i>RMB million</i>	2026 <i>RMB million</i>
Value-added services	460	620	760

Basis of Proposed Annual Caps

The proposed annual caps for the transactions contemplated under the Value-added Service Framework Agreement with each of the Telecom Group Companies set out above are determined based on the following:

- (a) the historical revenue, growth rate and the expected future development of the site resource service, data information service, energy service and integrated and comprehensive outsourcing maintenance service;
- (b) 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;
- (c) against the background of the above industry development, due to the continuous growth of the business scale of each of the Telecom Group Companies and/or their respective associates, leveraging on the dedicated Internet access resources and integrated solution capabilities, each of the Telecom Group Companies' and/or their respective 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 and data information service, energy service, and integrated and comprehensive outsourcing maintenance service provided by the Group are expected to increase rapidly as well; and
- (d) future preliminary cooperation intentions in negotiation currently and already agreed in various regions across the country between each of the Telecom Group Companies and/or their respective associates and the Group on the site resource service, data information service, energy service and integrated and comprehensive outsourcing maintenance service at this stage.

Reasons for and Benefits of the Transactions

Entering into the Value-added Service Framework Agreement with each of the Telecom Group Companies can streamline the provision of (i) site resource service; (ii) data information service; (iii) energy service; and (iv) integrated and comprehensive outsourcing maintenance service by the Group to each of the Telecom Group Companies and/or their respective associates and enable the Group to manage such transactions efficiently.

Entering into the Value-added Service Framework Agreement with each of the Telecom Group Companies is (i) in the ordinary and usual course of business of the Group; (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 2024-2026 Value-added Service Framework Agreement with CMCC and the 2024-2026 Value-added Service Framework Agreement with CTC for the three years ending 31 December 2024, 2025 and 2026 and the proposed annual caps under the 2024-2025 Value-added Service Framework Agreement with CUC for the three years ending 31 December 2023, 2024 and 2025 are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

(2) REVISION OF THE ANNUAL CAP FOR THE YEAR ENDING 31 DECEMBER 2023 UNDER THE 2021-2023 SERVICE SUPPLY FRAMEWORK AGREEMENT WITH CMCC

We refer to the announcement of the Company dated 19 October 2020 in relation to, among other things, the 2021-2023 Service Supply Framework Agreement with CMCC and the annual caps thereunder.

Due to the Company's increasing demand for services under the 2021-2023 Service Supply Framework Agreement with CMCC arising from the Company's business expansion, the Board expects that the annual transaction amount in respect of the services needed by the Company for the year ending 31 December 2023 under the 2021-2023 Service Supply Framework Agreement with CMCC will increase and is expected to exceed the existing annual cap for the year ending 31 December 2023. Therefore, the Board resolved to revise the existing annual cap for the year ending 31 December 2023 under the 2021-2023 Service Supply Framework Agreement with CMCC.

Save for the Revised Annual Cap, other terms and conditions of the 2021-2023 Service Supply Framework Agreement with CMCC shall remain the same. The 2021-2023 Service Supply Framework Agreement with CMCC was entered into by the Company and CMCC on 19 October 2020 with its term from 1 January 2021 to 31 December 2023, pursuant to which CMCC and/or its associates will provide construction, design, supervision, outsourcing maintenance, intermediary, supply chain and/or training services to the Group. The associates of CMCC shall enter into separate agreements with the Company or its relevant provincial/municipal branches, which shall set out specific terms and conditions including but not limited to payment arrangement, pursuant to the principles and conditions provided in the 2021-2023 Service Supply Framework Agreement with CMCC.

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 CMCC and/or its 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. CMCC and/or 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.

Further details of the terms of the 2021-2023 Service Supply Framework Agreement with CMCC are set out in the announcement of the Company dated 19 October 2020.

Historical Figures, Existing Annual Cap and Revised Annual Cap

The historical figures for the two years ended 31 December 2021 and 2022 and the ten months ended 31 October 2023, the existing annual cap and the revised annual cap for the year ending 31 December 2023 under the 2021-2023 Service Supply Framework Agreement with CMCC are set out below:

<i>Historical Figures</i>	For the year ended 31 December 2021 <i>RMB million</i>	For the year ended 31 December 2022 <i>RMB million</i>	For the ten months ended 31 October 2023* <i>RMB million</i>
Transaction with CMCC and/or its associates	547	677	685
* Unaudited			
<i>Existing Annual Cap</i>			For the year ending 31 December 2023 <i>RMB million</i>
Transaction with CMCC and/or its associates			730
<i>Revised Annual Cap</i>			For the year ending 31 December 2023 <i>RMB million</i>
Transaction with CMCC and/or its associates			880

As set out above, for the ten months ended 31 October 2023, the actual transaction amount in respect of services provided by CMCC and/or its associates to the Group under the 2021-2023 Service Supply Framework Agreement with CMCC amounted to approximately RMB685 million. The Board confirms that as at the date of this announcement, the transaction amount for the 2021-2023 Service Supply Framework Agreement with CMCC has not exceeded the existing annual cap for the year ending 31 December 2023.

Basis of Revised Annual Cap

The Revised Annual Cap was determined after taking into consideration the following principal factors:

- (a) the historical transaction amount paid by the Group to CMCC and/or its associates under the 2021-2023 Service Supply Framework Agreement with CMCC, especially the actual transaction amount for the ten months ended 31 October 2023, which was approximately RMB685 million;
- (b) in the third quarter of 2023, in order to improve the quality of asset operation and extend the life of assets, the Company carried out special maintenance and rectification campaigns on towers and other assets, which led to an increase in demand for services under the 2021-2023 Service Supply Framework Agreement with CMCC; and
- (c) the expectation on the Company's overall business development.

Reasons for and Benefits of Revision of the Annual Cap

Due to the Company's increasing demand for services under the 2021-2023 Service Supply Framework Agreement with CMCC arising from the Company's business expansion and the consideration as disclosed above, the Board expected that the actual transaction amount of the services under the 2021-2023 Service Supply Framework Agreement with CMCC will exceed the existing annual cap and therefore resolved to revise such existing annual cap.

The Directors (including the independent non-executive Directors) is of the view that the revision of the annual cap for the year ending 31 December 2023 under the 2021-2023 Service Supply Framework Agreement with CMCC is (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) fair and reasonable, and in the interests of the Company and its shareholders as a whole. The Revised Annual Cap is fair and reasonable, and is in the interests of the Company and its shareholders as a whole.

(3) THE 2024-2026 COMPREHENSIVE SERVICE FRAMEWORK AGREEMENT WITH CMCC

The Company and CMCC have entered into the 2024-2026 Comprehensive Service Framework Agreement with CMCC on 27 November 2023, for a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026 to renew the 2021-2023 Service Supply Framework Agreement with CMCC, the 2021-2023 Property Lease Framework Agreement with CMCC, the 2022-2023 Materials Procurement Framework Agreement with CMCC and the 2022-2023 Transmission Resource and Cloud Resource Lease Framework Agreement with CMCC, pursuant to which, the Group will procure comprehensive services as set out below in this announcement from CMCC and/or its associates. The associates of CMCC shall enter into separate agreements with the Company or its relevant provincial/municipal branches, which shall set out specific terms and conditions (including but not limited to payment arrangement) pursuant to the principles and conditions provided in the 2024-2026 Comprehensive Service Framework Agreement with CMCC.

Principal Terms

Services Provided

The services provided by CMCC and/or its associates under the 2024-2026 Comprehensive Service Framework Agreement with CMCC include:

- (a) Property lease and relevant services: the Group shall lease certain properties from CMCC and/or its associates, including buildings and land. CMCC and/or its associates also provide relevant property management services in relation to some of the properties leased to the Group;
- (b) Materials procurement service: the Group procures materials and relevant supporting services from CMCC and/or its associates, including but not limited to (i) equipment hardware, installation materials, supporting cables, spare parts and related software licenses, technical documents, and (ii) equipment installation and commissioning, equipment-related technical trainings, technical services and related supporting services;
- (c) Transmission resource and cloud resource lease service: to meet the needs of the Group for the transmission of monitoring data and related data analysis services for mid and high-point Internet-of-Things devices (including but not limited to camera videos, weather, radar and other sensors) in the Two Wings business, the Group leases transmission resource and cloud resource from CMCC and/or its associates, including but not limited to: leasing of telecommunications electricity cables, telecommunications equipment, cloud private line and cloud equipment;
- (d) Non-telecommunications services:
 - **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, inspecting the quality certification documents (such as test reports) for materials, devices and accessories entering the site, 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;
- **training service:** various technical, management and practical trainings, and third-party certification services for occupation or skill; and/or
- **other services:** including but not limited to advertising, market development, vehicle services, conference services, travel services, catering services, equipment rental services, labor services, technical support, consulting services, agency services, research and development, information and communication technology services etc. (including construction and installation supporting services, system integration services, software development and operation and maintenance services).

CMCC and/or its associates have provided some of such “other services” under non-telecommunications services as mentioned above to the Group in the ordinary and usual course of business and on normal commercial terms since 2020, including advertising services, with a total transaction amount of less than RMB1 million for each of the years/period ended 31 December 2020, 2021 and 2022, and 30 September 2023. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for such services with CMCC and/or its associates was less than 0.1%, any connected transactions or continuing connected transactions in relation to such services were *de minimis* transactions exempt under Rule 14A.76(1)(a) of the Listing Rules and were exempt from the annual reporting, announcement and shareholders’ approval requirements of the Listing Rules. However, considering that the possible expansion in cooperation with CMCC and/or its associates and increase in demand for services included in “other services” in the future, the Company and CMCC agreed to include “other services” in a written framework agreement to cover all possible related transactions required by the Company for its daily operation.

Save for the adding of “other services” under non-telecommunications services as mentioned above, other terms and conditions of the 2024-2026 Comprehensive Service Framework Agreement with CMCC shall remain the same as the previous framework agreements between the Company and CMCC, and the consolidation of such previous framework agreements into one comprehensive framework agreement is just for consideration of better administrative management on the relevant continuing connected transactions.

Service Period

The 2024-2026 Comprehensive Service Framework Agreement with CMCC has a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026.

Pricing Policy

(1) Property lease and relevant services

Under the 2024-2026 Comprehensive Service Framework Agreement with CMCC, the rents and management fees shall be determined and paid as follows:

- (a) 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);
- (b) the rents of buildings and land used for the Company’s production 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);

- (c) 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
- (d) the relevant standard for the rents will be regularly reviewed and adjusted according to individual agreements.

(2) *Materials procurement, transmission resource and cloud resource lease service and non-telecommunication services*

Under the 2024-2026 Comprehensive Service Framework Agreement with CMCC, the fees under materials procurement, transmission resource and cloud resource lease service and non-telecommunication service shall be determined and paid as follows:

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, which shall be determined by the parties in consultation with reference to the actual situation of the industry in which such business is conducted.

If, according to the Company's management policies, the relevant business to be procured shall be determined through bidding or other processes, CMCC and/or 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, the pricing shall be determined in accordance with the final prices agreed in the bidding or other procurement processes.

If a governmental agency issues a governmental price for the proposed transactions under the agreements during the term of the agreements, the price shall be adjusted with reference to the governmental price.

Historical Figures and Proposed Annual Caps

The historical figures and the proposed annual caps of transactions for various services, including the leases with a term of 12 months or less, if applicable, contemplated under the 2024-2026 Comprehensive Service Framework Agreement with CMCC for the relevant periods are set out below:

<i>Historical Figures</i>	For the year ended 31 December 2021 <i>RMB million</i>	For the year ended 31 December 2022 <i>RMB million</i>	For the nine months ended 30 September 2023* <i>RMB million</i>
Property lease and relevant services (Total)	195	145	177
– Office buildings (Rents and management fees)	2	3	2
– Sites (Rents)	193	142	175
Materials procurement service	62	108	107
Transmission resource and cloud resource lease service	74	126	110
Non-telecommunication services	547	677	653

* Unaudited

<i>Proposed Annual Caps</i>	For the years ending 31 December		
	2024 <i>RMB million</i>	2025 <i>RMB million</i>	2026 <i>RMB million</i>
Property lease and relevant services (Total)	300	300	300
– Office buildings (Rents and management fees)	15	15	15
– Sites (Rents)	285	285	285
Materials procurement service	230	280	330
Transmission resource and cloud resource lease service	200	240	280
Non-telecommunication services	950	1,020	1,090

Basis of Proposed Annual Caps

In determining the proposed annual caps for the transactions contemplated under the 2024-2026 Comprehensive Service Framework Agreement with CMCC, the Company has considered, among other things, the following key factors:

(1) *Property lease and relevant services*

- (a) historical transaction amounts mentioned above, especially the highest annual transaction amount;
- (b) rents and management fees already paid under the existing leases with CMCC and/or its associates;

- (c) the number of sites under lease as at 30 September 2023 by the Group from CMCC and/or its associates, 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;
- (d) the number of office buildings under lease as at 30 September 2023 by the Group from CMCC and/or its associates;
- (e) 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;
- (f) the fact that the Group will keep leasing properties including sites and facilities owned by CMCC to operate relevant tower in certain circumstances of co-location; and
- (g) the increasing demand from the Company for properties with suitable location, price and quality held by CMCC with the Company's business expansion.

(2) *Materials procurement*

- (a) the historical figures and the increase of transaction amount of relevant transactions;
- (b) the historical revenue, growth rate and the expected future development of relevant business;
- (c) based on the Company's current business and construction plan, it is expected that demand of the Company for materials procurement service tends to increase stably; and
- (d) the preliminary cooperation intentions under negotiations currently and already agreed in various regions in the PRC between the Group and CMCC and/or its associates on future procurement of materials and relevant supporting services.

(3) *Transmission resource and cloud resource lease*

- (a) the historical figures and the increase of amount of relevant transactions;
- (b) the historical revenue, growth rate and the expected future development of the Two Wings business;
- (c) the expected demand for transmission of monitoring data and related data analysis services for mid and high-point Internet-of-Things devices (including but not limited to camera videos, weather, radar and other sensors) in the Two Wings business; and
- (d) the preliminary cooperation intentions of the parties on future leasing of transmission resources and cloud resources.

(4) *Non-telecommunication services*

- (a) historical transaction amounts set out above, especially the highest historical transaction amount;
- (b) 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;
- (c) based on the historical growth of the Group in the number of tower sites and the businesses including DAS business, 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
- (d) market condition, availability and the reasonable price range expected for construction, design, supervision, outsourcing maintenance, intermediary, supply chain and training services provided by CMCC and/or its associates.

Reasons for and Benefits of the Transactions

Leasing properties is in the ordinary and usual course of the business of the Group, and the Group selects 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 selects 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 CMCC and/or its 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 CMCC 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 CMCC and/or its associates, leasing properties from them is considered beneficial to the Company for safeguarding operating assets and stability of the business operation of the Company.

For materials procurement service, due to the standard process of procurement of products and relevant supporting services mentioned above, the Group inevitably procures materials and relevant supporting services from CMCC and/or its associates in the Group's ordinary and usual course of business from time to time. Entering into the 2024-2026 Comprehensive Service Framework Agreement with CMCC can streamline the procurement of materials and relevant supporting services by the Group from CMCC and/or its associates and enable the Group to manage such transactions more efficiently.

For transmission resource and cloud resource leasing services, entering into of the 2024-2026 Comprehensive Service Framework Agreement with CMCC can help meet the Group's needs for the transmission of monitoring data and related data analysis services for mid and high-point Internet-of-Things devices, including but not limited to camera videos, weather, radar and other sensors, in the Two Wings business and enable the Group to manage such transactions efficiently.

For non-telecommunication services, the Company is in need of the services under the 2024-2026 Comprehensive Service Framework Agreement with CMCC in order to carry out its business activities continuously. 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 carry out transactions with connected persons including CMCC and/or its associates, or with Independent Third Parties based on a consistent standard. CMCC and/or its associates may become relevant service providers of the Group if they meet the standards of the Group in those procedures which are the same as those for Independent Third Parties. The services under the 2024-2026 Comprehensive Service Framework Agreement with CMCC are not exclusive.

Besides, due to the long-term cooperation between the Group and CMCC and/or its associates, CMCC and/or its associates have a deep understanding of the business requirements of the Group, which contributes to high-quality services provided by CMCC and/or its associates to the Group.

Entering into of the 2024-2026 Comprehensive Service Framework Agreement with CMCC is (i) in the ordinary and usual course of business of the Group; (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 2024-2026 Comprehensive Service Framework Agreement with CMCC for the three years ending 31 December 2024, 2025 and 2026 are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

(4) THE 2024-2026 SERVICE SUPPLY FRAMEWORK AGREEMENT WITH EACH OF CUC AND CTC

The Company and each of CUC and CTC have entered into the 2024-2026 Service Supply Framework Agreement on 27 November 2023, respectively, to renew the 2021-2023 Service Supply Framework Agreement with CUC and the 2021-2023 Service Supply Framework Agreement with CTC, pursuant to which the associates of each of CUC and CTC will provide construction, design, supervision, outsourcing maintenance, intermediary, supply chain and/or training services to the Group. The associates of each of CUC and CTC, respectively, shall enter into separate agreements with the Company or its relevant provincial/municipal branches, which shall set out specific terms and conditions (including but not limited to payment arrangement) pursuant to the principles and conditions provided in the 2024-2026 Service Supply Framework Agreements.

Principal Terms

Services Provided

The services provided by each of CUC and CTC and/or their respective associates under the 2024-2026 Service Supply Framework Agreements include:

- (a) **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;

- (b) **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;
- (c) **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, inspecting the quality certification documents (such as test reports) for materials, devices and accessories entering the site, 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;
- (d) **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;
- (e) **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;
- (f) **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;
- (g) **training service:** various technical, management and practical trainings, and third-party certification services for occupation or skill; and/or
- (h) **other services:** including advertising, market development, vehicle services, conference services, travel services, catering services, equipment rental services, labor services, technical support, consulting services, agency services, research and development, information and communication technology services etc. (including construction and installation supporting services, system integration services, software development and operation and maintenance services).

CUC and CTC and/or their respective associates have provided some of such “other services” as mentioned above to the Group in the ordinary and usual course of business and on normal commercial terms since 2020, including advertising and market development services, conference services and travel services, with a total transaction amount of less than RMB1 million and less than RMB6 million, respectively, for each of the years/period ended 31 December 2020, 2021 and 2022, and 30 September 2023. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for such services with each of CUC and CTC and/or their respective associates was less than 0.1%, any connected transactions or continuing connected transactions in relation to such services were *de minimis* transactions exempt under Rule 14A.76(1)(a) of the Listing Rules and were exempt from the annual reporting, announcement and shareholders’ approval requirements of the Listing Rules. However, considering that the possible expansion in cooperation with each of CUC and CTC and/or its associates and increase in demand for services included in “other services” in the future, the Company and each of CUC and CTC agreed to include “other services” in a written framework agreement to cover all possible related transactions required by the Company for its daily operation.

Save for the adding of “other services” as mentioned above, other terms and conditions of the 2024-2026 Service Supply Framework Agreement with each of CUC and CTC shall remain the same as the 2021-2023 Service Supply Framework Agreement with each of CUC and CTC.

Service Period

The 2024-2026 Service Supply Framework Agreement with each of CUC and CTC has a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026.

Pricing Policy

The prices for services under the 2024-2026 Service Supply Framework Agreement with each of CUC and CTC shall be determined by the contracting parties in accordance with the requirements of applicable laws and regulations of the PRC and the relevant administrative rules of the Group.

Transaction terms, such as service fees, payment schedule and method as well as miscellaneous expenses shall be determined in accordance with relevant market price. If there is no market price, the parties shall refer to historical prices related to the services or, collect the information on market prices of such services in the industry through channels such as from other providers of similar services and consider at least two comparable transactions entered into between the Company and the Independent Third Party holding the same qualifications and conditions as those of each of CUC and CTC and/or their respective associates during the same period where practical. When neither historical prices nor comparable market transaction prices are available, in order to make sure such prices offered are fair and reasonable, the parties shall determine the price based on average profit margin in the market or financial cost margin. The average profit margin in the market and financial cost margin for similar services are analysed based on the information of prices of similar services in the industry through channels such as from other providers. Such costs include costs of raw materials, accessories, depreciation, labor, energy, management cost, financial fees and payable taxes and fees, which shall be determined by the parties through arm’s length negotiation with reference to the actual situation of the industry in which such business is conducted.

If a governmental agency issues a governmental price for the proposed transactions under the agreements during the term of the agreements, the price shall be adjusted with reference to the governmental price.

Historical Figures and Proposed Annual Caps

The historical figures and the proposed annual caps of transactions contemplated under the 2024-2026 Service Supply Framework Agreement entered into between the Company and each of CUC and CTC for the relevant periods are set out below:

<i>Historical Figures</i>	For the year ended 31 December 2021 <i>RMB million</i>	For the year ended 31 December 2022 <i>RMB million</i>	For the nine months ended 30 September 2023* <i>RMB million</i>
Transactions with CUC and/or its associates	576	500	407
Transactions with CTC and/or its associates	4,603	4,174	4,296

* Unaudited

<i>Proposed Annual Caps</i>	For the year ending 31 December		
	2024 <i>RMB million</i>	2025 <i>RMB million</i>	2026 <i>RMB million</i>
Transactions with CUC and/or its associates	640	680	730
Transactions with CTC and/or its associates	6,300	6,600	6,900

Basis of Proposed Annual Caps

In determining the proposed annual caps for the transactions contemplated under the 2024-2026 Service Supply Framework Agreement entered into between the Company and each of CUC and CTC, the Company has considered, among other things, the following key factors:

- (a) historical transaction amounts set out above, especially the highest historical transaction amount;
- (b) 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;
- (c) 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
- (d) 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 CUC and CTC and/or their respective associates.

Reasons for and Benefits of the Transactions

The Company is in need of the services under the 2024-2026 Service Supply Framework Agreement with each of CUC and CTC in order to carry out its business activities continuously. 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 carry out transactions with connected persons including CUC and CTC and/or their respective associates, or with Independent Third Parties based on a consistent standard. CUC and CTC and/or their respective associates may become relevant service providers of the Group if they meet the standards of the Group in those procedures which are the same as those for Independent Third Parties. The services under the 2024-2026 Service Supply Framework Agreements are not exclusive.

Besides, due to the long-term cooperation between the Group and each of CUC and CTC and/or their respective associates, both CUC and CTC and/or their respective associates have a deep understanding of the business requirements of the Group, which contributes to high-quality services provided by CUC and CTC and/or their respective associates to the Group.

(5) THE 2024-2026 PROPERTY LEASE FRAMEWORK AGREEMENT WITH EACH OF CUC AND CTC

The Company and each of CUC and CTC have entered into the 2024-2026 Property Lease Framework Agreement with CUC and the 2024-2026 Property Lease Framework Agreement with CTC on 27 November 2023, respectively, to renew the 2021-2023 Property Lease Framework Agreement with CUC and 2021-2023 Property Lease Framework Agreement with CTC. The terms and conditions of the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC are substantially the same as the 2021-2023 Property Lease Framework Agreement with each of CUC and CTC, pursuant to which, the Group may lease certain properties from each of CUC and CTC and/or their respective associates.

The respective associates of CUC and CTC shall enter into separate agreements with the Company or its relevant provincial/municipal branches, which shall set out specific terms and conditions (including but not limited to payment arrangement) pursuant to the principles and conditions provided in the 2024-2026 Property Lease Framework Agreement with CUC and the 2024-2026 Property Lease Framework Agreement with CTC.

Principal Terms

Services Provided

Pursuant to the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC, the properties to be leased from each of CUC and CTC and/or their respective associates include buildings and land. Each of CUC and CTC and/or their respective associates also provide relevant property management services in relation to some of the properties leased to the Group.

Service Period

The 2024-2026 Property Lease Framework Agreement with each of CUC and CTC has a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026.

Pricing Policy

Under the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC, the rents and management fees shall be determined and paid as follows:

- (a) 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);
- (b) the rents of buildings and land used for the Company's production 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);
- (c) 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
- (d) 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 CUC and/or its associates

The historical figures and the proposed annual caps of transactions (in relation to leases with a term of 12 months or less) contemplated under the 2024-2026 Property Lease Framework Agreement with CUC for the relevant periods are set out below:

<i>Historical Figures</i>	For the year ended 31 December 2021 <i>RMB million</i>	For the year ended 31 December 2022 <i>RMB million</i>	For the nine months ended 30 September 2023* <i>RMB million</i>
Property lease and relevant services (Total)	50	85	52
– Office buildings (Rents and management fees)	24	26	22
– Sites (Rents)	26	59	30

* Unaudited

<i>Proposed Annual Caps</i>	For the year ending 31 December		
	2024	2025	2026
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Property lease and relevant services (Total)	150	150	150
– Office buildings (Rents and management fees)	40	40	40
– Sites (Rents)	110	110	110

For properties leased from CTC and/or its associates

The historical figures and the proposed annual caps of transactions (in relation to leases with a term of 12 months or less) contemplated under the 2024-2026 Property Lease Framework Agreement with CTC for the relevant periods are set out below:

<i>Historical Figures</i>	For the year	For the year	For the nine
	ended 31	ended 31	months ended
	December 2021	December 2022	30 September
			2023*
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Property lease and relevant services (Total)	164	183	104
– Office buildings (Rents and management fees)	41	49	35
– Sites (Rents)	123	134	69

* Unaudited

<i>Proposed Annual Caps</i>	For the year ending 31 December		
	2024	2025	2026
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Property lease and relevant services (Total)	180	180	180
– Office buildings (Rents and management fees)	60	60	60
– Sites (Rents)	120	120	120

Basis of Proposed Annual Caps

In determining the proposed annual caps for the transactions contemplated under the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC, the Company has considered, among other things, the following key factors:

- (a) historical transaction amounts mentioned above, especially the highest annual transaction amount;
- (b) rents and management fees already paid under the existing leases with each of CUC and CTC and/or their respective associates;
- (c) number of sites under lease as at 30 September 2023 by the Group from each of CUC and CTC and/or their respective associates, 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;
- (d) number of office buildings under lease as at 30 September 2023 by the Group from each of CUC and CTC and/or their respective associates;

- (e) 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
- (f) the fact that the Group will keep leasing properties including sites and facilities owned by each of CUC and CTC and/or their respective associates to operate relevant tower in certain circumstances of co-location.

Reasons for and Benefits of the Transactions

Leasing properties is in the ordinary and usual course of the business of the Group, and 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 the Group from each of CUC and CTC and/or 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 CUC and CTC 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 CUC and CTC and/or their respective associates, leasing properties from them is considered beneficial to the Company for safeguarding operating assets and the stability of the business operation of the Company.

(6) THE 2024-2026 MATERIALS PROCUREMENT FRAMEWORK AGREEMENT WITH CTC

The Company and CTC have entered into the 2024-2026 Materials Procurement Framework Agreement with CTC on 27 November 2023, to renew the 2022-2023 Materials Procurement Framework Agreement with CTC. The terms and conditions of the 2024-2026 Materials Procurement Framework Agreement with CTC are substantially the same as the 2022-2023 Materials Procurement Framework Agreement with CTC, pursuant to which the Group will purchase products from CTC and/or its associates.

The associates of CTC shall enter into separate agreements with the Company or its relevant provincial/municipal branches, which shall set out specific terms and conditions (including but not limited to payment arrangement) pursuant to the principles and conditions provided in the (2024-2026) Materials Procurement Framework Agreement with CTC.

Principal Terms

Materials Procurement

The Group adopts a standard process of procurement of products from suppliers which include Independent Third Parties as well as connected persons through its “E-procurement Platform,” which provides the information of the suppliers, their products and the prices of such products.

Pursuant to the 2024-2026 Materials Procurement Framework Agreement with CTC, the Group will purchase products from CTC and/or its associates as listed on its “E-procurement Platform” from time to time. The Group has been procuring and is expected to continue to procure materials from CTC and/or its associates such as equipment hardware, installation materials, supporting cables, spare parts, related software licenses and technical documents, and related supporting services.

Service Period

The 2024-2026 Materials Procurement Framework Agreement with CTC has a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026.

Pricing Policy

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

Transaction terms, such as service 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/or 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/or 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, the pricing shall be determined 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

The historical figures of materials procured by the Company from CTC and/or its associates and the proposed annual caps of transactions contemplated under the 2024-2026 Materials Procurement Framework Agreement with CTC for the relevant periods are set out below:

<i>Historical figures</i>	For the year ended 31 December 2021 <i>RMB million</i>	For the year ended 31 December 2022 <i>RMB million</i>	For the nine months ended 30 September 2023* <i>RMB million</i>
Materials	150	263	280

* Unaudited

<i>Proposed annual caps</i>	For the years ending 31 December		
	2024 <i>RMB million</i>	2025 <i>RMB million</i>	2026 <i>RMB million</i>
Materials	330	380	430

Basis of Proposed Annual Caps

The proposed annual caps for the transactions contemplated under the 2024-2026 Materials Procurement Framework Agreement with CTC set out above are determined based on the following:

- (a) the historical figures and the increase of amount of relevant transactions;
- (b) the historical revenue, growth rate and the expected future development of the relevant business;
- (c) based on the Company's current business and construction plan, it is expected that demand of the Company for materials procurement service tends to increase stably; and
- (d) preliminary cooperation intentions under negotiations currently and already agreed in various regions in the PRC between CTC and/or its associates and the Group on future procurement of materials.

Reasons for and Benefits of the Transactions

Due to the standard process of procurement of products mentioned above, the Group inevitably procures materials from CTC and/or its associates in the Group's ordinary and usual course of business from time to time. Entering into the 2024-2026 Materials Procurement Framework Agreement with CTC can streamline the procurement of materials by the Group from CTC and/or its associates and enable the Group to manage such transactions efficiently.

Entering into the 2024-2026 Materials Procurement Framework Agreement with CTC is (i) in the ordinary and usual course of business of the Group; (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 2024-2026 Materials Procurement Framework Agreement with CTC for the three years ending 31 December 2024, 2025 and 2026 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 of the Company 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 Company has formulated the Manual of Risk and Internal Control Management, among other internal rules and regulations, to maintain a long-term sustainable and healthy development of the Company;
- 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, and will be determined in accordance with the pricing policy principles set out in the respective agreements;
- the Company has established the connected transaction committee of the Board, comprising an independent non-executive Director as the chairman, and all other independent non-executive Directors, two executive Directors and one non-executive Director as members. 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 reviews 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, in the ordinary and usual course of business of the Group, on normal commercial terms, on terms that are fair and reasonable and in the interests of the Shareholders as a whole and in accordance with the pricing policy and/or do not exceed the proposed applicable annual caps; and
- the Company has formulated internal guidelines according to the Listing Rules, which provide approval procedures for connected transactions including:
 - the finance departments of the provincial branches of the Company shall review the transaction amounts of relevant continuing connected transactions quarterly;
 - in respect of the connected transactions not governed by the existing framework agreements (if any), the provincial branches of the Company shall communicate with the headquarters in advance and provide necessary documents to facilitate related decision-making and disclosure process;

- the Company shall collect the transaction amount information monthly and conduct analysis of the data quarterly to manage the connected transactions; and
- 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-sector site application and information business, and energy 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 technology 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.

Information of CTC

CTC is a state-owned enterprise established under the laws of the PRC. Its principal business is integrated information services including mobile communications, Internet access and application, wireline communications, satellite communications and ICT integration.

LISTING RULES IMPLICATIONS

As of the date of this announcement, 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 (i) the 2024-2026 Value-added Service Framework Agreement with CMCC and (ii) the 2024-2026 Comprehensive Service Framework Agreement with CMCC between the Company and CMCC will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As of the date of this announcement, 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 (i) the 2024-2025 Value-added Service Framework Agreement with CUC, (ii) the 2024-2026 Service Supply Framework Agreement with CUC and (iii) the 2024-2026 Property Lease Framework Agreement with CUC between the Company and CUC will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As of the date of this announcement, 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 (i) the 2024-2026 Value-added Service Framework Agreement with CTC, (ii) the 2024-2026 Service Supply Framework Agreement with CTC, (iii) the 2024-2026 Property Lease Framework Agreement with CTC and (iv) the 2024-2026 Materials Procurement Framework Agreement with CTC 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 2024-2026 Comprehensive Service Framework Agreement with CMCC and the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC are 12 months or less, such leases and the property management services to be received by the Company under such agreements will be continuing connected transactions of the Company and the transaction amounts and the 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 2024-2026 Comprehensive Service Framework Agreement with CMCC and the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC 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 2024-2026 Comprehensive Service Framework Agreement with CMCC and the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC 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 exempt 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 each of the transactions contemplated under the Value-added Service Framework Agreement with each of the Telecom Group Companies, the 2024-2026 Service Supply Framework Agreement with CUC, the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC (in relation to leases with a term of 12 months or less), the 2024-2026 Materials Procurement Framework Agreement with CTC, the proposed annual caps for each of the property lease and relevant services (in relation to leases with a term of 12 months or less), materials procurement service, transmission resource and cloud resource lease service, and non-telecommunications services under the 2024-2026 Comprehensive Service Framework Agreement with CMCC, and the Revised Annual Cap exceed 0.1% but are less than 5%, the transactions thereunder 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 for the transactions contemplated under the 2024-2026 Service Supply Framework Agreement with CTC exceeds 5%, the transactions contemplated under the 2024-2026 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 resolutions for considering and approving the 2024-2026 Value-added Service Framework Agreement with CMCC, the 2024-2026 Comprehensive Service Framework Agreement with CMCC, and the transactions contemplated thereunder (including the proposed annual caps thereof) and the revision of the annual cap for the year ending 31 December 2023 under the 2021-2023 Service Supply Framework Agreement with CMCC, due to his administrative positions in CMCC and/or its associates.

Mr. Tang Yongbo, a non-executive Director, has abstained from voting on the Board resolutions for considering and approving the 2024-2025 Value-added Service Framework Agreement with CUC, the 2024-2026 Service Supply Framework Agreement with CUC and the 2024-2026 Property Lease 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. Liu Guiqing, a non-executive Director, has abstained from voting on the Board resolutions for considering and approving the 2024-2026 Value-added Service Framework Agreement with CTC, the 2024-2026 Service Supply Framework Agreement with CTC, the 2024-2026 Property Lease Framework Agreement with CTC and the 2024-2026 Materials Procurement Framework Agreement with CTC, 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.

BOARD OPINION

The Board (including the independent non-executive Directors) is of the view that the Value-added Service Framework Agreement with each of the Telecom Group Companies, the 2024-2026 Comprehensive Service Framework Agreement with CMCC, the 2024-2026 Service Supply Framework Agreement with CUC, the 2024-2026 Property Lease Framework Agreement with each of CUC and CTC and the 2024-2026 Materials Procurement Framework Agreement with CTC and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Group. They are on normal commercial terms or better and shall be or have been implemented (as applicable) in accordance with the relevant terms contained therein, and the terms, as well as the relevant proposed annual caps or the Revised Annual Cap (if applicable), 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 2024-2026 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 Group 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 2024-2026 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. Zhang Guohou, Mr. Dong Chunbo, Mr. Hu Zhanghong and Mr. Sin Hendrick, has been formed to advise the Independent Shareholders in respect of, the 2024-2026 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 2024-2026 Service Supply Framework Agreement with CTC and the relevant proposed annual caps.

A circular containing, among other things, (i) details of the 2024-2026 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 18 December 2023.

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 with CMCC”	the property lease framework agreement dated 19 October 2020 (with revision of annual caps on 19 October 2021) between the Company and CMCC
“2021-2023 Property Lease Framework Agreement with CTC”	the property lease framework agreement dated 19 October 2020 between the Company and CTC
“2021-2023 Property Lease Framework Agreement with CUC”	the property lease framework agreement dated 19 October 2020 between the Company and CUC
“2021-2023 Service Supply Framework Agreement with CMCC”	the service supply framework agreement dated 19 October 2020 between the Company and CMCC
“2021-2023 Service Supply Framework Agreement with CTC”	the service supply framework agreement dated 19 October 2020 between the Company and CTC
“2021-2023 Service Supply Framework Agreement with CUC”	the service supply framework agreement dated 19 October 2020 between the Company and CUC
“2021-2023 Site Resource Service Framework Agreement with CMCC”	the agreement dated 19 October 2020 between the Company and CMCC in relation to the provision of site resource services by the Company to CMCC and/or its associates
“2021-2023 Value-added Service Framework Agreement with CTC”	the agreement dated 19 October 2021 between the Company and CTC in relation to the provision of value-added services by the Company to CTC and/or its associates
“2022-2023 Materials Procurement Framework Agreement with CMCC”	the materials procurement framework agreement between the Company and CMCC approved by the Company on 7 December 2022
“2022-2023 Materials Procurement Framework Agreement with CTC”	the materials procurement framework agreement dated 19 October 2021 between the Company and CTC
“2022-2023 Transmission Resource and Cloud Resource Lease Framework Agreement with CMCC”	the transmission resource and cloud resource lease framework agreement between the Company and CMCC approved by the Company on 7 December 2022

“2024-2025 Value-added Service Framework Agreement with CUC”	the agreement dated 27 November 2023 between the Company and CUC in relation to the provision of value-added services by the Company to CUC and/or its associates
“2024-2026 Comprehensive Service Framework Agreement with CMCC”	the agreement dated 27 November 2023 between the Company and CMCC in relation to the provision of comprehensive services by the Company to CMCC and/or its associates
“2024-2026 Materials Procurement Framework Agreement with CTC”	the materials procurement framework agreement dated 27 November 2023 between the Company and CTC
“2024-2026 Property Lease Framework Agreement with CTC”	the property lease framework agreement dated 27 November 2023 between the Company and CTC
“2024-2026 Property Lease Framework Agreement with CUC”	the property lease framework agreement dated 27 November 2023 between the Company and CUC
“2024-2026 Service Supply Framework Agreement with CTC”	the service supply framework agreement dated 27 November 2023 between the Company and CTC
“2024-2026 Service Supply Framework Agreement with CUC”	the service supply framework agreement dated 27 November 2023 between the Company and CUC
“2024-2026 Value-added Service Framework Agreement with CMCC”	the agreement dated 27 November 2023 between the Company and CMCC in relation to the provision of value-added services by the Company to CMCC and/or its associates
“2024-2026 Value-added Service Framework Agreement with CTC”	the agreement dated 27 November 2023 between the Company and CTC in relation to the provision of value-added services by the Company to CTC and/or its associates
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“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 Shanghai Stock Exchange (stock code: 600941), which holds the entire equity interest in China Mobile Company and is a substantial shareholder of the Company as of the date of this announcement

“China Mobile Company”	China Mobile Communication Co., Ltd. (中國移動通信有限公司), a company incorporated under the laws of the PRC, which directly holds approximately 27.93% of the share capital of 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 and listed on the Hong Kong Stock Exchange (stock code: 0728) and the Shanghai Stock Exchange (stock code: 601728), which directly holds approximately 20.50% of the share capital of 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 directly holds approximately 20.65% of the share capital of 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
“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 Hong Kong 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, the notice of which will be set out in the circular, or any adjournment thereof
“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
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, namely Mr. Zhang Guohou, Mr. Dong Chunbo, Mr. Hu Zhanghong and Mr. Sin Hendrick, formed to advise the Independent Shareholders in respect of, among others, the 2024-2026 Service Supply Framework Agreement with CTC
“Independent Financial Adviser”	Somerley Capital Limited, acting as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of, among others, the 2024-2026 Service Supply Framework Agreement with CTC
“Independent Shareholders”	shareholders of the Company other than CTC and/or its associates
“Independent Third Party(ies)”	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)
“PRC”	the People’s Republic of China
“Revised Annual Cap”	the revised annual cap for the year ending 31 December 2023 under the 2021-2023 Service Supply Framework Agreement with CMCC
“RMB”	Renminbi, the lawful currency of the PRC
“Smart Tower business”	trans-sector site application and information business of the Company

“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Telecom Group Companies”	CMCC, CUC and CTC, the ultimate controlling shareholders of each of 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
“Two Wings business”	the Smart Tower business and energy business of the Company
“%”	per cent

On behalf of the Board
China Tower Corporation Limited
Zhang Zhiyong
Chairman

Beijing, China, 27 November 2023

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

<i>Executive directors</i>	<i>: Zhang Zhiyong (Chairman of the Board), Gu Xiaomin (General Manager) and Gao Chunlei</i>
<i>Non-executive directors</i>	<i>: Gao Tongqing, Tang Yongbo, Liu Guiqing and Fang Xiaobing</i>
<i>Independent non-executive directors</i>	<i>: Zhang Guohou, Dong Chunbo, Hu Zhanghong and Sin Hendrick</i>