

CHINA TELECOM CORP LTD

Form 6-K

February 01, 2018

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16**

**of the Securities Exchange Act of 1934**

**For the Month of February 2018**

**Commission File Number 1-31517**

**China Telecom Corporation Limited**

**(Translation of registrant's name into English)**

**31 Jinrong Street, Xicheng District**

**Beijing 100033, China**

**(Address of principal executive offices)**

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F

Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): )

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): )

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes

No

(If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82- .)

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**EXHIBITS**

| <b>Exhibit<br/>Number</b> |   | <b>Page<br/>Number</b> |
|---------------------------|---|------------------------|
| 1.1                       | <u>Announcement in relation to commercial pricing agreement in respect of the lease of telecommunications towers and related assets from China Tower Corporation Limited, dated February 1, 2018.</u> | A-1                    |

**FORWARD-LOOKING STATEMENTS**

Certain statements contained in this Form 6-K may be viewed as forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward-looking statements are, by their nature, subject to significant risks and uncertainties, and include, without limitation, statements relating to:

our business and operating strategies and our ability to successfully execute these strategies;

our network expansion and capital expenditure plans;

our operations and business prospects;

the expected benefit of any acquisitions or other strategic transactions;

our financial condition and results of operations;

the expected impact of new services on our business, financial condition and results of operations;

the future prospects of and our ability to integrate acquired businesses and assets;

the industry regulatory environment as well as the industry outlook generally; and

future developments in the telecommunications industry in the People's Republic of China, or the PRC.

The words anticipate, believe, could, estimate, expect, intend, may, plan, seek, will, would and they relate to us, are intended to identify a number of these forward-looking statements.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. We are under no obligation to update these forward-looking statements and do not intend to do so. Actual results may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the following:

any changes in the regulations or policies of the Ministry of Industry and Information Technology (prior to March 2008, the Ministry of Information Industry, or the MII), or the MIIT, and other relevant government authorities relating to, among other matters:

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the granting and approval of licenses;

tariff policies;

interconnection and settlement arrangements;

capital investment priorities;

the provision of telephone and other telecommunications services to rural areas in the PRC;

the convergence of television broadcast, telecommunications and Internet access networks, or three-network convergence; and

spectrum and numbering resources allocation;

the effects of competition on the demand for and price of our services;

any potential further restructuring or consolidation of the PRC telecommunications industry;

changes in the PRC telecommunications industry as a result of the issuance of the fourth generation mobile telecommunications, or 4G, licenses by the MIIT;

the development of new technologies and applications or services affecting the PRC telecommunications industry and our current and future business;

changes in political, economic, legal and social conditions in the PRC, including changes in the PRC government's specific policies with respect to foreign investment in and entry by foreign companies into the PRC telecommunications industry, economic growth, inflation, foreign exchange and the availability of credit;

results and effects of any investigation by the relevant PRC regulatory authorities; and

the development of our mobile business is dependent on the Tower Company.

Please also see the "Risk Factors" section of the Company's latest Annual Report on Form 20-F, as filed with the Securities and Exchange Commission.



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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHINA TELECOM CORPORATION LIMITED

Date: February 1, 2018

By: /s/ Yang Jie

Name: Yang Jie

Title: Chairman and Chief Executive Officer

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**Exhibit 1.1**

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**China Telecom Corporation Limited**

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

**(Stock Code: 728)**

**VOLUNTARY ANNOUNCEMENT:**

**COMMERCIAL PRICING ARRANGEMENT IN RESPECT OF  
THE LEASE OF TELECOMMUNICATIONS TOWERS AND RELATED ASSETS  
FROM CHINA TOWER CORPORATION LIMITED**

Reference is made to the announcement (the *Announcement*) of China Telecom Corporation Limited (the *Company*) published on 8 July 2016 in relation to the pricing arrangement in respect of the lease of telecommunications towers and related assets (including *Acquired Towers* and *New Towers*) from China Tower Corporation Limited (*China Tower*). Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the *Announcement*.

On 8 July 2016, the *Company* and *China Tower* entered into the *Commercial Pricing Agreement* pursuant to which the provincial companies of both parties entered into the *Provincial Service Agreement (I)* therein.

In accordance with the *Commercial Pricing Agreement*, after mutual negotiations and discussions on an arm's length basis, both parties entered into a supplemental agreement on the basis of the original agreement on 1 February 2018. The major terms include:

1. To adjust the relevant pricing arrangement of tower products stated in Annex 1 Product Catalogue and Pricing under the *Commercial Pricing Agreement*, including the markup margin rate shall be adjusted from 15% to 10%; the sharing discount rate of base price shall be adjusted from 20% to 30% applicable to the towers shared by two lessees and from 30% to 40% applicable to the towers shared by three lessees; an extra 5% discount in addition to the sharing discount applicable to the first occupier remains unchanged; for certain provinces, the geographical adjustment coefficients of standard construction costs of new tower products and the discount rate of *Acquired Towers* shall be adjusted. The concessionary policy for existing sharing parties shall be extended to 31 December 2019 and both parties will further negotiate and agree on the pricing arrangement prior to the expiry date.



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2. The adjusted Product Catalogue and Pricing shall be effective from 1 January 2018. The product confirmation note or the bulk product lease commencement confirmation shall be entered into by the respective companies of both parties at the provincial or city level.
  
3. The term of the agreement is five years, commencing from 1 January 2018 until 31 December 2022. Prior to the expiry, negotiations will be conducted by both parties to confirm the subsequent pricing arrangement. In the opinion of the Company, signing of the supplemental agreement with China Tower is beneficial to further foster sustainable healthy development of the Company in the future.

By Order of the Board

**China Telecom Corporation Limited**

**Yang Jie**

*Chairman and Chief Executive Officer*

Beijing, China, 1 February 2018

***FORWARD-LOOKING STATEMENTS***

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

As at the date of this announcement, the Board of Directors of the Company consists of Mr. Yang Jie (as the chairman and chief executive officer); Mr. Liu Aili (as the president and chief operating officer); Mr. Ke Ruiwen, Mr. Gao Tongqing and Mr. Chen Zhongyue (all as the executive vice presidents); Mr. Chen Shengguang (as the non-executive director); Mr. Tse Hau Yin, Aloysius, Madam Cha May Lung, Laura, Mr. Xu Erming and Madam Wang Hsuehming (all as the independent non-executive directors).