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China Telecom Corporation Limited

中国电信股份有限公司

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

(Stock Code: 728)

ADJUSTMENTS TO PUBLIC TELECOMMUNICATIONS NETWORK INTERCONNECTION SETTLEMENT STANDARD

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

The Board of Directors (the "Board") of China Telecom Corporation Limited (the "Company" or "China Telecom") announced that the Company was notified by the Ministry of Industry and Information Technology of the PRC (the "MIIT") that amongst others, public telecommunications network interconnection settlement standards of basic telecommunications operators will be adjusted with effect from 1 January 2014. Under the current settlement arrangement, a mobile user of a basic telecommunications operator (not including China Mobile's TD-SCDMA 157 and 188 prefix numbers users) initiates a call to a mobile user of another basic telecommunications operator, the settlement charge is set uniformly at a rate of RMB 0.06 per minute payable by the basic telecommunications operator originating the call to the basic telecommunications operator receiving the call. In the event a China Mobile's TD-SCDMA 157 and 188 prefix numbers user initiates a call to a user of other basic telecommunications operators within the scope of local network, China Mobile will pay a settlement charge of RMB 0.012 per minute to the basic telecommunications operator receiving the call. In the event a mobile user of other basic telecommunications operators initiates a call to a China Mobile's TD-SCDMA 157 and 188 prefix numbers user, the basic telecommunications operator initiating the call will pay a settlement charge of RMB 0.06 per minute to China Mobile. After the adjustment, in the event a mobile user of China Telecom and China Unicom initiates a call to a mobile user of China Mobile (not including TD-SCDMA 157 and 188 prefix numbers users), the interconnection settlement charges payable by the basic telecommunications operator originating the call to China Mobile will be adjusted from the prevailing rate of RMB 0.06 per minute to RMB 0.04 per minute from 1 January 2014 onwards. Other existing voice interconnection settlement standards remain unchanged. The MIIT will assess the above interconnection settlement policy once every two years based on the development conditions of the telecommunications market and will make adjustment when appropriate. Meanwhile, the

MIIT also adjusted the SMS and MMS interconnection settlement standards amongst the basic telecommunications operators. The SMS interconnection settlement standard will be adjusted from RMB 0.03 to RMB 0.01 per SMS and the MMS interconnection settlement standard will be adjusted from RMB 0.10 to RMB 0.05 per MMS.

Based on the actual traffic volume of the Company's inter-mobile networks voice, SMS and MMS for the year of 2012, the Company estimates that the above interconnection settlement standard adjustments will result in a reduction in the interconnection revenue of the Company by RMB560 million (approximately HK\$720 million) and a reduction in the interconnection charges by RMB3,140 million (approximately HK\$4,030 million) for the year of 2012.

In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.

This announcement contains translations between Renminbi and Hong Kong dollar amounts at HK\$1.00=RMB0.78 for illustration purposes. The translations should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollar at such rates or at all.

By Order of the Board
China Telecom Corporation Limited
Wang Xiaochu
Chairman and Chief Executive Officer

Beijing, PRC, 23 December 2013

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 consists of Mr. Wang Xiaochu as the chairman and chief executive officer, Mr. Yang Jie as the president and chief operating officer, Madam Wu Andi as the executive vice president and chief financial officer, Mr. Zhang Jiping, Mr. Yang Xiaowei, Mr. Sun Kangmin and Mr. Ke Ruiwen as the executive vice presidents, Mr. Xie Liang as the non-executive director and Mr. Wu Jichuan, Mr. Qin Xiao, Mr. Tse Hau Yin, Aloysius, Madam Cha May Lung, Laura and Mr. Xu Erming as the independent non-executive directors.