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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)

IMPLEMENTATION OF THE POLICY REQUIREMENTS OF THE STATE REGARDING NETWORK SPEED UPGRADE AND TARIFF REDUCTION

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).

China Telecom Corporation Limited (the "Company") noted that the State's policy requirements regarding network speed upgrade and tariff reduction as mentioned in the Government Work Report presented in the first session of the 13th National People's Congress of the People's Republic of China convened on 5 March 2018, which include requirements to: (i) increase efforts in implementing network speed upgrade and tariff reduction measures; (ii) achieve full coverage of high-speed broadband in cities and rural areas; (iii) expand the coverage of free Wifi Internet access in public areas; (iv) substantially reduce the tariffs of household broadband, corporate broadband and dedicated leased line; (v) cancel data "roaming" fee; (vi) reduce mobile data tariff by at least 30% in this year.

The Company will implement appropriate measures in due course in accordance with the above-mentioned policy requirements. Meanwhile, the Company will further accelerate the supply-side structural reform and speed up corporate transformation and upgrades. The Company will deeply promote network intelligentisation, service ecologicalisation and operation intellectualisation to expand telecommunications information consumption, persistently promote costs reduction and efficiency enhancement as well as enhance operation efficiency. The Company will endeavour to mitigate the impact on the business operation of the Company brought by the above-mentioned policies and promote the corporate's sustainable healthy development.

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

By Order of the Board
China Telecom Corporation Limited
Wong Yuk Har
Joint Company Secretary

Beijing, PRC, 5 March 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).