

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

中国电信股份有限公司

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

(Stock Code: 728)

ANNOUNCEMENT IN RELATION TO THE AUDIT OF NATIONAL AUDIT OFFICE

In 2011, the National Audit Office conducted an audit on the financial revenues and expenditures of China Telecommunications Corporation (the "China Telecom Group"), being controlling shareholder of China Telecom Corporation Limited (the "Company"), and some of its subsidiaries and branches (including the Company) for the year 2010.

The audit report of the National Audit Office recognized the progressive perfection of legal entity governance structures of China Telecom Group. Internal management had been persistently enhanced and major economic decisions were relatively properly made. The accounting information basically truly reflected the corporate financial position and operating results. It was also pointed out in the audit report that there were some weaknesses in certain aspects of operational management as well as non-compliance issues in certain perspectives of business operation of certain subsidiaries and branches of China Telecom Group.

The Company has attached high regards to the audit results and problems raised in the audit regarding the Company and rectified the issues identified in the audit conscientiously. The Company also drew inferences from the audit results, and took proactive measures to further standardise and strengthen its operational management in order to achieve comprehensive enhancement in its risk management and internal control.

The problems found in the audit have no significant impact on the overall operating results and the financial statements of the Company.

According to the audit report issued by the National Audit Office, the National Audit Office would publish its major findings of the audit on the financial revenues and expenditures of China Telecom Group for 2010 in the form of an audit results announcement.

By Order of the Board
China Telecom Corporation Limited
Yung Shun Loy, Jacky
Company Secretary

Beijing, PRC, 1 June 2012

As of 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. Li Jinming as the non-executive director, and Mr. Wu Jichuan, Mr. Qin Xiao, Mr. Tse Hau Yin, Aloysius, Madam Cha May Lung, Laura, Mr. Xu Erming as the independent non-executive directors.