

China Telecom Corporation Limited

Rules on Information Disclosures

(As amended by the Board of Directors on 21 September 2012)

(The Rules on Information Disclosures were prepared in Chinese and the English translation is not an official version and for your reference only. In case of any inconsistencies and discrepancies between the Chinese and the English versions, the Chinese version shall prevail)

Section One General Provisions

Article I Purpose

To ensure the information disclosures of China Telecom Corporation Limited (the “**Company**”) are true, accurate, complete and timely, to strengthen the disclosure management system, to regulate the internal procedures of collecting, organizing, summarizing and reporting material information and providing periodical and non-periodical public disclosures, and to clarify the disclosure duties and practices of the relevant business departments, branches and subsidiaries, these Rules are formulated pursuant to the applicable laws, regulations, listing rules and the Articles of Association and taking into account of the practical condition of the Company.

Article II Applicable Scope

The information disclosure of the Company shall be governed by these Rules. The Company and subsidiaries that are included in the consolidated financial statements of the Company shall strictly comply with these Rules when preparing any information disclosure to the public.

These Rules refer to the procedures by which the Company discloses any information to the shareholders, potential investors and the general public pursuant to the applicable laws, regulations, listing rules, requirements of the relevant regulatory authorities and the Articles of Association.

Article III Information to Be Disclosed

The information that needs to be disclosed includes any information related to the Company required to be disclosed by any applicable laws, regulations, listing rules and requirements of the relevant regulatory authorities, and any other information relating to any action or event that may affect the price or trading volumes of the Company’s shares or other securities or investment decisions by a reasonable investor (hereinafter referred to as the “**Required Disclosures**”).

Article IV Disclosure Principles

The Company and its subsidiaries shall comply with the following disclosure principles:

- (1) In compliance with the applicable laws, regulations, listing rules and requirements of securities regulatory authorities and other regulatory authorities, we shall provide true and objective information reflecting the results of operation, financial position and other information of the Company and we shall not provide any false or and untrue presentation.
- (2) We shall establish a system with multiple individual levels of responsibilities, reviewing and auditing, and when necessary, we shall appoint external independent legal counsels, auditors and other advisors to participate in the reviewing or the auditing so as to ensure the disclosures to be accurate, reliable and in compliance with the applicable laws, listing rules and requirements of the relevant regulatory authorities.
- (3) We shall set forth and follow a set of unified disclosure parameters and standards to prevent any omission of Required Disclosure and to ensure the consistency and integrity of the disclosures within the same disclosure period (such as a fiscal year).
- (4) We shall strictly comply with the applicable laws and make disclosure in accordance with the relevant requirements regarding time, venue, content, procedures and form, so as to ensure our disclosures to be timely and effective and in compliance with relevant time requirements of the applicable exchanges and other regulatory authorities.

Article V Disclosure Management

It is the primary responsibility of the Company's Management to perform the Required Disclosure in a truthful, accurate, complete and timely manner. Our CEO, CFO and Secretary of the Board shall be in charge of establishing and maintaining our internal control procedures of disclosures and enforcing these Rules.

The Secretary of the Board shall assume the responsibilities for general coordination, management and the compliance of the Company's disclosure obligations. No business department, branch or subsidiary, unless authorized and designated by the Company, shall independently make any Required Disclosure of the Company or its subsidiaries.

The Secretary of the Board shall take charge of the daily management of the disclosure,

and the Office of the Board is the daily standing organ for the disclosure management. The Office of the Board shall assist the Secretary in handling the practical disclosures and be in charge of file management of relevant documents and information relating to the disclosures. The Office of the Board, all relevant departments and responsible individuals shall ensure all material information relating to the Company and the subsidiaries consolidated into the Company's accounts are reported to the CEO through the CFO and Secretary of the Board. In particular, these Rules shall be even more stringently implemented during the periods when the periodical reports are being prepared.

The Office of the Board refers to the General Affairs Office and the Investor Relations Department. They work as an integral group and shall closely coordinate with each other to make use of their strengths and perform their functions respectively.

For the purpose of these Rules, the Management of the Company includes our CEO, General Manager, CFO, Deputy General Managers and Secretary of the Board.

Article VI The Virtual Working Group

The Company, as well as all its business departments, branches and subsidiaries, shall follow these Rules to establish detailed working procedures and an internal control system for collecting and organizing material information and assign designated staff (the "**Working Group**") to be in charge of collecting and reporting the Required Disclosures, as well as coordinating with the Office of the Board, and specifying the practices, operation procedures and responsibilities of the Working Group.

As a flexible working mode, the Working Group does not assign fixed positions for individuals, and instead its members consist of professionals assigned pursuant to the needs of the disclosures. Under the guidance of the Secretary of the Board, the members of the Working Group shall strictly comply with these Rules.

Each of the Company's provincial branches shall assign a Deputy General Manager to coordinate the work with the Working Group as well as an assistant to assist the Deputy General Manager with the coordination of information disclosure matters.

The performance of each member in the Working Group shall be reflected in the performance evaluation system of the Company, its branch or its subsidiary where the member belongs.

Article VII Internal Responsibility Representation System

The Company shall establish a multi-level disclosure responsibility declaration system. While handling the periodic disclosures such as annual reports and interim reports, all responsible individuals of the Company's departments, branches or subsidiaries shall carefully review the regular disclosures to be reported upwards, and each level shall review and verify the internal information collecting procedures, assuming his or her own responsibilities for the truthfulness, accuracy and completeness of the disclosures.

Article VIII Management and Utilization of Basic Data

Under Required Disclosure, the procedures and rules governing the reporting of basic business data shall strictly comply with the requirements of the Company's informatisation strategy. The relevant departments of each branch shall report the basic business data to the relevant departments on a higher level, and eventually such information shall be consolidated in the department responsible for information and data management. The collecting, organizing and reporting of the basic business data shall be assigned to designated individuals on each level to ensure the quality of such data.

Under Required Disclosure, the procedures and rules governing the reporting of financial data shall strictly comply with the requirements of the Company's internal control system. The relevant financial departments of each branch shall report the financial data to the relevant departments on a higher level, and eventually such information shall be consolidated in the department responsible for financial management. The collecting, organizing and reporting of the financial data shall be assigned to designated individuals on each level to ensure the quality of such data.

Article IX Disclosure of Sensitive Information

Any disclosure of sensitive information shall be in compliance with the procedure of stringent review and strict confidentiality must be maintained prior to such disclosure.

The time and manner of disclosing any sensitive information shall be reported through the Company's relevant departments or branches to the Office of the Board, which shall give suggestions, and the Management such as the Secretary of Board shall make decisions or seek advice from the Company's legal counsels when necessary.

The sensitive information herewith refers to any ongoing material negotiations, ongoing material projects, any effect on the Company's operations resulting from any new policies being published or to be published by regulatory authorities, the Company's annual or interim results, any profit forecast or warning on the results of

business operation, as well as other information deemed sensitive by the Company.

Article X Confidentiality

Any employee, department, branch or subsidiary that is aware of the Required Disclosure or sensitive information shall not disclose such information to any other person or department in any manner prior to the Company's official disclosure to the public. The Company shall enter into a confidentiality agreement with each of its external legal counsel, external auditor and other external advisors appointed by the Company for the purpose of maintaining information confidentiality prior to Company's official disclosure to the public. In the event that any employee, department, branch or subsidiary discovers that any of such information has been leaked prior to the Company's official disclosure, they shall immediately notify the Secretary of the Board and the Company's Legal Department, who can request advise from the Company's legal counsels if necessary.

Section Two Periodical Reports

Article XI Form and Disclosure of Annual Reports

The Company shall prepare the annual report in accordance with the following applicable listing rules:

- (1) Pursuant to the Listing Rules of the Stock Exchange of Hong Kong Limited, the Company shall publish its annual results within three months subsequent to the year end date of the annual financial year and deliver its annual report to its shareholders within four months after the end of each fiscal year;
- (2) Pursuant to the U.S. securities regulations, the Company shall file the Securities and Exchange Commission (the "SEC") with its annual report on form 20-F within four months after the end of each fiscal year;
- (3) Pursuant to the Japanese securities regulations, the Company shall submit its annual report within six months after the end of each fiscal year.

Article XII Interim Reports and Other Periodical Reports

The Company shall prepare the interim report and other periodical reports in accordance with the following applicable listing rules:

- (1) Pursuant to the Listing Rule of the Stock Exchange of Hong Kong Limited, the Company shall publish its interim results within two months subsequent

to the period end date of the first half financial period and deliver its interim report to its shareholders within three months after the end of the first half of each fiscal year;

- (2) Pursuant to the U.S. securities regulations, the Company shall submit the SEC with a 6-K filing reasonably after the filing of its annual report and interim report as required by the Stock Exchange of Hong Kong Limited; and
- (3) Pursuant to the Japanese securities regulations, the Company shall submit its interim report within three months after the end of the first half of each fiscal year.

Article XIII Preparation Procedures for Periodical Reports

The Company prepares its periodical reports pursuant to the following procedures:

- (1) The Company shall organize an annual report imitated working group, comprising relevant individuals from the General Affairs Office, Investor Relations Department, Financial Department, Marketing Department, Corporate Informatisation Department and relevant staff from provincial branches to prepare the drafts of annual report or interim report;
- (2) The Company's virtual working group shall draft an outline of the annual report or interim report and distribute it to the provincial branches; and the provincial working groups shall prepare its own provincial annual report or interim report, based on the such outline, and submit it to the Company;
- (3) The Company's virtual working group shall draft the annual report or interim report and be responsible for the division of responsibility of preparing the relevant content of each section; and
- (4) Secretary of the Board shall organize conference meetings of all relevant departments in the Company to discuss and revise the drafts of the annual report or interim report.

Article XIV Review and Release of Periodical Reports

After the completion of the first draft of the annual report or interim report, it shall be reviewed in the conference meetings for General Managers and Senior Management, and the Company's virtual working group shall amend the draft based on the opinions generated from such meetings.

Prior to the disclosure of the periodical reports, the General Affairs Office shall submit the audit (or reviewed) opinions of the international auditor, the audited (or reviewed) financial statement, the annual report or interim report and other related

documents to the Company's Audit Committee and the Board for review, and the Company's virtual working group shall work on and amend the drafts based on the comments of the Audit Committee and the Board.

After all the above documents been approved by the Board, the Secretary of the Board shall publish the relevant documents and disclosures on the websites of the Company and the Hong Kong Stock Exchange on that day, and submit the relevant documents to the relevant securities regulatory authorities as required.

Article XV Filing of Periodical Reports

On the same day of the publication of the annual report or interim report on the websites, the General Affairs Office shall fax to the China Securities and Regulatory Commission (the "CSRC") the abstract of such report and file at the CSRC five copies of such report within ten business days after the publication on the website.

Article XVI Form and Disclosures of Periodical Reports of Interbank Bond Market in the People's Republic of China (the "PRC")

During the term of debt instruments issued by the Company in the PRC interbank bond market, the Company shall prepare financial statements in accordance with the PRC Generally Accepted Accounting Principles and disclose financial information regularly pursuant to the following requirements:

- (1) disclose the annual report and the auditor's report of the previous year by 30 April of each year;
- (2) disclose the balance sheet, income statement and cash flow statement for the first half of the current year by 31 August of that year;
- (3) disclose the balance sheet, income statement and cash flow statement for the first and the third quarter of the current year by 30 April and 31 October of that year, respectively.

The date of disclosure of information of the first quarter shall not be earlier than the disclosure of information for the previous full year.

The above information shall be disclosed only on the websites recognized by the National Association of Financial Market Institutional Investors.

Section Three Non-Periodical Reports

Article XVII Non-Periodical Reports

The Company shall prepare and release non-periodical reports in strict compliance with the applicable laws, regulations, listing rules and requirements of the relevant regulatory authorities. The contents of non-periodical reports shall include but not limited to (see Appendix 1 for details) the following information as requested by the applicable laws, regulations, listing rules and requirements of the relevant regulatory authorities:

- (1) information relating to the Company's business operation;
- (2) information relating to the Company's investment;
- (3) information relating to the Company's management;
- (4) information relating to the Company's financial management; and
- (5) other material information.

Article XVIII Disclosures of Resolutions of Shareholders' General Meeting and Meetings of Board of Directors and Supervisory Committee

In respect of any resolution approved by the of Shareholders' General Meeting or the meetings of the Board of Directors or of Supervisory Committee (the "Resolutions"), the Company shall submit such resolution to the Stock Exchange of Hong Kong Limited promptly after the relevant meeting pursuant to the relevant requirements, and publish any of such resolutions that is required to be disclosed on the day of the meeting.

Article XIX Disclosures of Connected Transactions

Connected Transactions refer to any transaction between the Company and its controlled subsidiaries with any connected party. Pursuant to the Listing Rules of The Stock Exchange of Hong Kong Limited, upon the approval by the Board meeting or the Shareholders' General Meeting, any discloseable Connected Transaction that is required to be disclosed shall be submitted to The Stock Exchange of Hong Kong Limited for publication. Any Connected Transaction that is required to be disclosed shall be determined in accordance with the listing rules and the applicable requirements of the securities regulatory authorities and other regulatory authorities in the places where the related securities are listed or determined in accordance with any waiver granted by such authorities to the Company.

The continuous Connected Transactions exempted to be disclosed during certain

period of time by the applicable local securities rules where the Company is listed shall be disclosed in the next periodical report pursuant to the applicable local securities rules.

Article XX Disclosures of Business Decisions

Any disclosure of non-periodical reports that do not relate to resolutions shall follow the following procedure:

In the daily operations of the Company's major business departments or its provincial branches, if an material event has occurred that causes attention or concern on the part of the investors with such event possibly becoming a material discloseable issue, or any issue that may need to be disclosed in a non-periodical report pursuant to these Rules, shall be promptly reported to the Office of the Board, which shall report to the Secretary of the Board in writing. Senior Management and the Secretary shall decide whether such issues need to be disclosed.

When receiving any request or inquiry from the local securities regulatory authorities, investors or the press, the related departments are obliged to provide all the relevant information to the Office of the Board, and the Secretary of the Board shall promptly coordinate with the related departments and make arrangements for timely and accurate responses to the request or inquiry.

Article XXI Non-Periodical Reports Requested by Governmental Agencies or Other Regulatory Authorities

In the event that any governmental agencies or other regulatory authorities request any of the Company's related departments, branches and subsidiaries to provide certain information as required by the applicable laws, regulations or its own working needs, such information shall be furnished together with a Liability Disclaimer (See Appendix 2) as an attachment.

Section Four Voluntary Disclosures

Article XXII Purpose of Voluntary Disclosures

The Company will make voluntary disclosure when it deems necessary for the purposes of enhancing the corporate transparency as well as ensuring fair, open and reasonable disclosures.

Article XXIII Information Voluntarily Disclosed

The information the Company voluntarily disclose includes, but not limited to, any information about its products and services; the organizational structures of the Company and its subsidiaries; the business cooperation and other transactions within the Company's regular business scope between us and other companies or individuals; the announcements and other materials relating to the marketing activities for the products or services; and any material issues previously disclosed in the periodical or non-periodical reports.

Article XXIV Principles of Voluntary Disclosures

When making voluntary disclosures to the public, the Company shall ensure equal treatment to all investors and shall not give different information to different investors nor give information at different times.

Our disclosure to the press shall not go beyond our disclosure to the public.

Prior to any voluntary disclosure, the Company may seek advice from its legal counsels to ensure the compliance of such disclosure.

Article XXV Disclosure of Forward-looking Information

When making any voluntary disclosure relating to any predictions of business outlook, strategic plans or earnings, the Company shall prudently warn investors that the actual future conditions may not be the same as the forward-looking information and remind them of material uncertain factors that may affect the realization of such forward-looking information. Such disclosure shall be initially in the form of public announcement so as to ensure equal treatment to all investors.

Article XXVI Voluntary Clarification

The Company shall closely monitor any media reports or market rumors relating to the Company. In the event that any media report contains any information that has not yet been disclosed by the Company and may significantly affect the prices or trading volumes of the Company's shares or other securities, save for the reports to the applicable exchanges and the announcements required to be published, the Company shall analyze such situations and members of the Management (such as the Secretary of the Board) to decide whether to make clarification and explanations to the public.

Article XXVII Procedures for Voluntary Disclosures

Any voluntary disclosure of the Company shall follow the procedures as follows:

- (1) Related business departments, branches and subsidiaries of the Company

shall furnish the information that the Company intends to voluntarily disclose to the Office of the Board;

- (2) The Office of the Board shall take the lead and coordinate with other related departments, including financial, auditing and legal Departments, to examine the regulatory compliance and accuracy of the information to be disclosed, and will consult with external legal counsels or auditors when necessary;
- (3) After reviewing and approving by the Office of the Board and other relevant departments, the information shall be forwarded to the Board and any other Board delegated organisation for review. The authorized department or person shall then make the public disclosure.
- (4) The Office of the Board shall prepare the uniform templates for quarterly disclosure, pursuant to which the financial department shall furnish and examine the financial data, the informatisation management departments shall provide and examine business data. The Office of the Board shall coordinate the draft quarterly disclosure data to be submitted to CFO and Secretary of the Board for approval, and it can be disclosed publicly after being approved by the Board. The Office of the Board shall be responsible for the public disclosure and explanation of such disclosure.

Section Five Examination and Evaluation

Article XXVIII Examination of Disclosure

In order to prevent any incorrect statement or material omission in our disclosures to the public, the Company shall coordinate with the branches or departments which provided the data to examine its accuracy prior to any public disclosure. The Office of the Board shall have the responsibility to assist the Secretary of the Board in reviewing and periodically examining of the accuracy and compliance of any disclosures.

Article XXIX Evaluation of Disclosure

Prior to the filing of the annual report on Form 20-F each year, the Company's Management shall procure the related departments, branches or subsidiaries to evaluate the effectiveness and execution of these Rules as of the end of the period covered by the annual report by means of hearings or conference discussions, among others. The annual report on Form 20-F shall contain the evaluation conclusion of our CEO and CFO. The Company shall promptly inform the Company's auditors and Audit Committee of any significant deficiency and material weakness in the design or operation of these Rules, particularly those that may materially adversely affect the

Company's ability to record, process, summarize and report financial information, or any change in the Company's internal control system over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting after the evaluation date, and shall request the related departments to take corrective or remedial measures. In addition, the Company shall also inform the Company's auditors and Audit Committee of such corrective measures taken by the Company.

Prior to and during the evaluation by the Company of internal disclosure control system, the related departments, branches and subsidiaries shall also conduct evaluation of their own internal disclosure control procedures and report the evaluation results to the Company.

In the event that during the evaluation the Company discovers any fraud (irrespective of whether it is material) that involves employees who have a significant role in the Company's internal information disclosure control system, the Company shall promptly notify the Company's auditors and Audit Committee and request the related departments to take appropriate actions.

Article XXX Examination and Evaluation of Disclosure by Auditors and Audit Committee

The Company's Audit Committee is authorized to examine and evaluate the performance of our internal information disclosure control procedures and give suggestions based on the actual situation.

Article XXXI Responsibilities

In the event that any officers or other individuals assuming certain duties in any related departments, branches and subsidiaries violate these Rules and result in the Company's violation of any applicable laws, regulations, listing rules and requirements of the relevant regulatory authorities, and cause material adverse effects or damages to the Company, they shall take immediate remedial measures to minimize the loss to the maximum extent. The Company may pursue liability against such individuals if their malpractice has caused significant adverse effects or damages to the Company, pursuant to the applicable laws, regulations, as well as the Company's Articles of Association and internal rules.

Article Six Miscellaneous

Article XXXII Amendments and Interpretations

The formulation, amendment and interpretation of these Rules are subject to the Board's approval. In the event of any discrepancy between these Rules and any new regulations, rules or standards promulgated by the applicable securities regulatory authorities or other regulatory authorities, such new regulations, rules or standards shall prevail and these Rules shall be amended accordingly.

Article XXXIII Effectiveness

These Rules shall become effective upon the adoption by a Board resolution, and any issues not explicitly specified herein shall follow the applicable regulatory provisions and the Company's Articles of Association.

Appendix 1: Types of Information in Non-periodical Reports

Types of Information in Non-periodical Reports

The matters that the Company is required to prepare and make non-periodical reports are determined by applicable laws, regulations, listing rules and requirements of the relevant regulatory authorities, which may include but not limited to:

I. Information relating to the Company's business operation

1. Significant change of business operation, financial and business performance of the Company, such as obtaining new business license, major new projects (including application of important new technologies, development and launching of new products and new services);
2. Significant development of major subsidiaries of the Company, e.g. implementation of significant business plan, the occurrence of major restructuring or acquisition, etc;
3. Adjustment of business goal of the Company;
4. Material tariff adjustment;
5. Material contracts executed other than in the ordinary course of business, and termination and modification thereof, e.g. any contract involving 20% or more of the value of the assets or consolidated revenue;
6. Termination of customer service relation that may result in a 20% or above loss of the consolidated revenue in the last fiscal year;
7. Any risk that may materially affect the Company's operation;
8. Sales of major assets or rights in investment of the Company;

II. Information relating to the Company's Investment

9. Key capital expenditure plan accounting for 20% or above of the Company's consolidated revenue of the last fiscal year;
10. Major acquisition or assets reorganization that materially affects the financial condition or levels of operation of the Company;
11. Strategic cooperation or joint investment that materially affects the operational revenue or financial condition of the Company;

III. Information relating to the Management

12. Any replacement of Directors or senior management;
13. Major change of remuneration of Directors or senior management;

IV. Information relating to financial management

14. Direct or contingent liability that may materially affect the financial condition of the Company;
15. Any failure to fully discharge interest due on the corporate bond, or any abnormal situation in terms of discharging the interests payable on other debts of the Company;
16. Any change of external auditor;
17. Any change of applicable accounting rules;
18. Mortgage, pledge, sale, assignment, transfer or write off of assets that may affect the solvency of the Company;
19. Confiscation, seizure or freezing of assets that may affect the solvency of the Company;
20. Significant liability for compensation or liability for compensation that may have persisting impacts on daily operation;
21. Material losses exceeding 10% of the net assets of the Company;
22. One-off waiver of significant loans that may affect the solvency of the Company; and
23. Major external guarantee provided by the Company,

V. Other material information

24. Legal proceedings that may materially affect the business operation of the Company;
25. Any significant change of laws, policies and regulations relating to the business operation of the Company;
26. Any change of the Company's name and business place of business;
27. Any amendments to the Company's Articles of Association;
28. Increase or decrease of issued shares, including issuance of new shares, share splitting, redemption, withdrawal or cancellation of some shares;
29. Any change of dividend policy;
30. Poll results for the resolutions submitted for shareholders' voting in the Shareholders' General Meeting;
31. Decisions relating to capital reduction, merger, separation, dissolution, and application for bankruptcy, or where the Company has entered into bankruptcy or liquidation proceedings;
32. The Company is subject to investigation by the relevant authorities, criminal punishment or serious administrative actions due to violation of laws or regulations by the Company, or the management of the Company is subject to investigation or disciplinary actions by the relevant authorities due to violation of laws;
33. Other information deemed as significant to the shareholders by the Company.

Appendix 2: Liability Disclaimer

Liability Disclaimer

This document is provided as required by your [department/bureau/office/division/sub-office/center]. As an overseas listed company [wholly-owned subsidiary of an overseas listed company], the information herein is trade secrets for reasonable reference only for your [department/bureau/office/division/sub-office/center] and shall not be separately disclosed to the public. Meanwhile, we waive any responsibility to any legitimate utilization of any information hereunder by your [department/bureau/office/division/sub-office/center].

China Telecom Corporation Limited

Date: