

Environmental, Social and Governance Report

Independent Assurance Report

Deloitte.

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Independent Assurance Report

To the Board of Directors of China Telecom Corporation Limited (the "Board of Directors"):

We have been engaged by the Board of Directors of China Telecom Corporation Limited ("China Telecom") to perform a limited assurance engagement on its *Environmental, Social and Governance* performance indicators (see "table of the ESG indicators") in the *Corporate Social Responsibility Report and Human Resource Report ("The Report")* in *Environmental, Social and Governance Report ("ESG report")* of 2017 annual report for the period from 1 January 2017 to 31 December 2017.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing *The Report* in accordance with *Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide")* issued by Hong Kong Stock Exchange, and its presentation (including reporting guidelines, limitations, reporting data and relevant identification procedures).

The Board of Directors is also responsible for determining China Telecom's objectives in respect of with Environmental, Social and Governance ("ESG") performance and reporting, including identifying stakeholders and relevant material issues, establishing and maintaining appropriate ESG performance management system and internal control system for obtaining performance information in the report, and maintaining sufficient records.

Our Responsibilities

In accordance with the agreed terms with China Telecom, we are responsible for performing a limited level of assurance engagement on the ESG indicators (see "table of the ESG indicators") in the Report, and expressing an opinion on the ESG indicators. Our work is only for the Board of Directors, and for no other purposes. We do not assume responsibility or accept liability to any other person or third parties for our work or the contents in this Report.

Our Independence and Quality Control

We conducted our engagement in accordance with the independence and other ethical requirements in the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. We maintains a comprehensive system of quality control applying *International Standard on Quality Control 1*.

Basis of Our Work

We conducted our work in accordance with *International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Federation of Accountants. We planned and performed our engagement to obtain all the information and evidences which we considered necessary to form conclusions.

Procedures, Scopes and Limitations of Our Work

Our work performed includes interviewing personnel responsible for *the Report*, analysing information, and other steps to collect evidences. Specifically our procedures include:

- Interviewing management and staff responsible for the ESG indicators, to understand the process for determining the key stakeholders and material issues, and applicable controls.
- Assessing the inclusion of the ESG indicators in the Report against requirements of the ESG Reporting Guide, and comparing the sampled original documents from Headquarter with the statements in the Report.
- Establishing acknowledgement of the ESG indicators regarding the Report with China Telecom to perform this limited assurance engagement.
- Analyzing sampled data, and performance claims, reviewing its consistency with our work results, and assessing the effectiveness of the control on the Report preparation procedure.
- Visiting to the head office and the selected 2 branches in Guangdong and Hebei based on the results of risk analysis;
- Assessing the consistency of the key financial data in the Report with the data in the audited financial statements.

Limited assurance conducts process to confirm the credibility of information, and its scope is smaller than that of reasonable assurance. Our work performed is not for the purpose of expressing an opinion on the effectiveness of China Telecom's internal control.

We performed our limited assurance engagement at headquarter and 2 branches of China Telecom in Guangdong and Hebei. We did not carry out such engagement at any other branches and subsidiaries of China Telecom, nor interview with external stakeholders. Moreover, historical data and financial information are not within the scope of our work.

Our Conclusions

Based on our work performed, nothing has come to our attention that would lead us to believe that there is any material misstatement related to the ESG indicators in the 2017 Report.

This is translation of the Chinese language version of the Independent Assurance Report. If there is any conflict between the Chinese and English version, the Chinese version will prevail.

Deloitte Touche Tohmatsu Certified Public Accountants, L.L.P.

28 March 2018

