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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)

ANNOUNCEMENT

Reference is made to the announcement issued by China Telecom Corporation Limited (the “Company”) on 9 November 2011.

The National Development and Reform Commission (the “NDRC”) has recently conducted an investigation over the pricing of the Internet dedicated leased line access of the Company. In response thereto, the Company attaches high importance, proactively co-operates with the NDRC in the investigation and conducts a comprehensive self-evaluation on the relevant pricing practices. Through the self-evaluation, the Company found that the interconnection between the Company and other backbone network operators does not fully meet the quality requirements of relevant governing authorities, and the interconnection has not achieved its full optimum. Meanwhile, with regard to the Internet dedicated leased line access services offered to Internet service providers, there is relatively wide pricing variation and room for improvement in pricing management.

Pursuant to applicable laws and regulations, the Company has submitted to the relevant regulatory authorities a proposal for enhancement initiatives and application for suspension of investigation. The Company will earnestly implement the enhancement initiatives. In order to further enhance the quality of interconnection and achieve full optimum in interconnection, the Company will promptly carry out capacity expansion with other backbone network operators like China Unicom and China Tietong and reduce the price for direct interconnection with China Tietong. In the meantime, the Company will further standardize the tariff management of Internet dedicated leased line access and conduct transactions in accordance with fair market rules. Existing agreements will be examined and the tariff standard will be reduced when appropriate.

In addition, the Company will unswervingly continue to implement the “Broadband China · Fibre Cities” project to significantly increase the penetration of optic fibre access and the broadband access speed, aiming to lower the bandwidth unit price of public customer Internet access by approximately 35% within 5 years. Meanwhile, the Company will offer higher speed broadband access service to enhance customers experience and drive the healthy development of broadband service.

The Company will proactively implement the relevant enhancement initiatives and continue to uphold the operation adhering to the laws and regulations while persistently improving the operational management and service quality. The Board of Directors believes that these will promote the healthy sustainable development of the Company's business.

Further announcements will be made by the Company in connection with the above as and when appropriate in accordance with the Listing Rules in order to keep the shareholders informed of any material development in the matter. 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
Yung Shun Loy, Jacky
Company Secretary

Beijing, PRC, 2 December 2011

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 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. Zhang Chenshuang, Mr. Yang Xiaowei and Mr. Sun Kangmin 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.