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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)

VOLUNTARY ANNOUNCEMENT: ANNOUNCEMENT IN RELATION TO THE AUDIT OF NATIONAL AUDIT OFFICE

In 2017, the National Audit Office of the People's Republic of China ("National Audit Office") conducted an audit (the "Audit") on the financial revenues and expenditures for the year 2016 of China Telecommunications Corporation, the controlling shareholder of China Telecom Corporation Limited (the "Company"), and certain subsidiaries of China Telecommunications Corporation (collectively, the "China Telecom"). The National Audit Office published the findings of this Audit in the form of an audit results announcement on 20 June 2018.

The audit results announcement indicated the recognition of China Telecom's work on various aspects including promotion of strategic transformation and mixed ownership reform, reinforcement of information infrastructure construction, optimisation of corporate governance and enhancement of management levels. It also pointed out that there were several issues in certain areas of financial management, accounting and operational management of China Telecom (including certain entities within the Company).

The Company has attached high regards to the issues identified related to the Company in this Audit and has taken measures to rectify these issues in accordance with the requirements of the National Audit Office (please refer to the announcement published on the official website of China Telecommunications Corporation). All along, the Company has been continuously endeavouring to optimise internal management and ensure the procedures and systems being properly enforced in accordance with the requirements under relevant policies and the requirements set out by regulatory authorities. The Company will continuously optimise internal monitoring systems and enhance risk control capabilities so as to ensure the long term sustainable and healthy development of the Company.

The issues identified related to the Company in this Audit have no material impact on the overall operating results, the financial statements and the effectiveness of the internal control of the Company.

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

Beijing, PRC, 20 June 2018

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, Mr. Xu Erming and Madam Wang Hsuehming (all as the independent non-executive directors).