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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)

ADJUSTMENT TO THE APPLICABLE SCOPE OF VALUE-ADDED TAX CLASSIFICATION ITEMS FOR TELECOMMUNICATIONS SERVICES

This announcement is made by China Telecom Corporation Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Recently, the Ministry of Finance and the State Taxation Administration of the People's Republic of China issued the “Announcement on Matters Relating to Specific Scope for Assessment of Value-Added Tax” (Ministry of Finance and State Taxation Administration Announcement No. 9 of 2026) (《關於增值稅徵稅具體範圍有關事項的公告》(財政部 稅務總局公告2026年第9號)), stipulating that starting from 1 January 2026, the applicable tax classification items of business activities conducted within the People's Republic of China that involve the provision of handset data traffic services, SMS and MMS services and Internet broadband access services using wireline, mobile networks, satellites and the Internet shall be adjusted from value-added telecommunications services to basic telecommunications services, and as a result, the corresponding value-added tax rate for such services shall be adjusted from 6% to 9%.

The adjustment to the applicable scope of these value-added tax classification items is expected to have an impact on the Company's revenue and profit. The Company will comprehensively implement the Cloudification, Digital Transformation and AI for Good Strategy and accelerate the building of technology-oriented enterprise. While fully advancing the “AI+” Action and continuously developing integrated intelligent cloud services encompassing “computing power + platform + data + model + application”, the Company will expedite the cultivation of new momentum for development and promote quality improvement, cost reduction and efficiency enhancement, continuously advancing the high-quality development of the Company.

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
Ke Ruiwen
Chairman and Chief Executive Officer

Beijing, China, 1 February 2026

FORWARD-LOOKING STATEMENTS

Forward-looking statements included in this announcement in relation to development strategies, future operation plans, outlook, etc. do not constitute a commitment to investors by the Company. 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, the Company does not intend to update these forward-looking statements. Investors are advised to pay attention to the investment risks.

As at the date of this announcement, the Board of Directors of the Company consists of Mr. Ke Ruiwen (as the Chairman and Chief Executive Officer); Mr. Liu Guiqing (as the President and Chief Operating Officer); Mr. Tang Ke and Mr. Li Yinghui (as the Chief Financial Officer) (both as the Executive Vice Presidents); Mr. Lyu Yongzhong (as the Non-Executive Director); Mr. Ng Kar Ling Johnny, Mr. Chen Dongqi, Madam Lyu Wei and Mr. Lee Sunny Wai Kwong (all as the Independent Non-Executive Directors); Madam Guan Lixin (as the Employee Director).