



## 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: 0728)

#### ANNOUNCEMENT

In order to further enhance the transparency of the Group and to enable shareholders, investors and the general public to better appraise the operational performance of the Group, the Board announces certain selected unaudited key performance indicators of the Group for the first three quarters of 2005.

In order to further enhance the transparency of the Group and to enable shareholders, investors and the general public to better appraise the operational performance of the Group, the board of directors (the “**Board**”) of China Telecom Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces certain selected unaudited key performance indicators of the Group for the first three quarters of 2005.

#### SELECTED UNAUDITED KEY PERFORMANCE INDICATORS

	As at 30 June 2005/ For the period from 1 January 2005 to 30 June 2005	As at 30 September 2005/ For the period from 1 January 2005 to 30 September 2005
Local Access Lines in Service (Million)	202.40	206.86
including: Residential (Million)	116.35	117.29
Enterprise (Million)	20.14	20.55
Public Telephone (Million)	13.25	13.71
Wireless Local Access (Million)	52.66	55.31
Net Add of Local Access Lines in Service (Million)	15.75	20.21
Broadband Subscribers (Million)	17.37	19.17
Net Add of Broadband Subscribers (Million)	3.53	5.33
Local Voice Usage (Million Pulses)	218,905	332,100
Domestic Long Distance Usage (Million Minutes)	45,145	68,877
International (including Hong Kong, Macau and Taiwan)		
Long Distance Usage (Million Minutes)	819	1,254
Usage of “SMS over PAS” (Million Message)	7,347	11,925
PAS color ring tone subscribers (Million)	10.0	13.0

Our Group’s business continued to grow steadily during the first three quarters of 2005, with net addition of access lines in service for the first three quarters reached 20.21 million. Access lines in service as of 30 September 2005 reached 207 million, including 55.31 million of wireless local access service subscribers. Same as the third quarter of last year, the Group experienced a slow down in subscriber growth in the third quarter of 2005 as compared with the first half of 2005 due to the seasonal effect and the Group’s value enhancing targeted marketing initiatives. However, voice ARPU was maintained relatively stable. Value-added services and Internet business continued favorable growth momentum. Operating revenue for the first three quarters of 2005 reached RMB126.776 billion. Excluding the amortization of upfront connection fees, operating revenue for the first three quarters of 2005 reached RMB121.680 billion, representing an increase of 6.4% (*Note*) over the same period of last year.

*Note:* The relevant financial and business data in this announcement assumes the Group had been operating in the current service areas (20 municipalities, provinces and autonomous regions) since the beginning of 2004.

The Group will endeavour to maintain the stable development of wireline voice business, while strengthening the development of broadband Internet services and value-added services, pursuing the operation of mobile business proactively and controlling operating costs and capital expenditure strictly. The Group will continue to actively effect our strategic transformation into a “modern integrated information services provider”, pursue the convergence and innovation of multi-services, multi-networks and multi-terminals, provide customers with “Triple-play” services of voice, data and video and realise the extension of our service value chain, with a view to driving our sustainable development and creating value for our shareholders.

The Board wishes to remind investors that the above financial and business data are based on the Group’s unaudited management accounts. Investors are cautioned not to unduly rely on such data.

**In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.**

As of the date of this announcement, the Board consists of Mr. Wang Xiaochu as the chairman and chief executive officer, Mr. Leng Rongquan as the president and chief operating officer, Ms. Wu Andi as the executive vice president and chief financial officer, Mr. Zhang Jiping as the executive vice president, Ms. Huang Wenlin as the executive vice president, Mr. Li Ping as the executive vice president and joint company secretary, Mr. Wei Leping as the executive vice president, Mr. Yang Jie as the executive vice president, Mr. Sun Kangmin as the executive vice president, Mr. Li Jinming as the non-executive director, and Mr. Zhang Youcai, Mr. Vincent Lo Hong Sui, Mr. Shi Wanpeng, Mr. Xu Erming and Mr. Tse Hau Yin, Aloysius as the independent non-executive directors.

By Order of the Board  
China Telecom Corporation Limited  
Wang Xiaochu

*Chairman and Chief Executive Officer*