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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)

### PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the financial results of the Group for the year ended 31 December 2008 are expected to decline significantly as compared with those in 2007.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by China Telecom Corporation Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that in accordance with the requirements of the International Financial Reporting Standards, the management of the Company is conducting impairment tests on the carrying amounts of the Group's long-lived assets and it is expected that a proposal for making a significant amount of provision for impairment loss on its PAS asset (a wireless local access network based on the Personal Handyphone System (PHS)) will be submitted to the Board for review and approval on 24 March 2009. As a result, the financial results of the Group for the year ended 31 December 2008 are expected to decline significantly as compared with those in 2007.

The Company wishes to point out that the aforesaid provision for impairment loss on its PAS asset will not affect the cash flow of its business and will lead to reduction in depreciation of such asset in the future years.

The Company is in the process of finalising the results of the Group for the financial year ended 31 December 2008. The information contained in this announcement is only a preliminary assessment by the Company based on information currently available and is not based on any figures or information audited by the Company's auditors. Details of the consolidated results of the Group for the financial year ended 31 December 2008 will be disclosed in the Company's results announcement on 24 March 2009.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board  
China Telecom Corporation Limited  
**Wang Xiaochu**  
*Chairman and Chief Executive Officer*

Beijing, PRC, 10 March 2009

As of the date of this announcement, the Board of directors of the Company consists of Mr. Wang Xiaochu as the chairman and chief executive officer, Mr. Shang Bing 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, Mr. Yang Jie, 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.