

# Report of the Supervisory Committee

During the reporting period, all members of the Supervisory Committee, acted strictly in accordance with the Company Law of the People's Republic of China and the Articles of Association of the Company, followed the principles of integrity, rigorousness and discipline to diligently and effectively carry out its supervisory function so as to safeguard the interests of shareholders and the Company.

During the reporting period, the Supervisory Committee held five meetings. At the first meeting of the Third Session of the Supervisory Committee held in January 2009, the Supervisory Committee approved the renewal of Mr. Xiao Jinxue's term of office to be the Chairman of the Third Session of the Supervisory Committee of China Telecom Corporation Limited. The Supervisory Committee also reviewed and approved a proposal for the remuneration of the Independent Supervisor of the Supervisory Committee. At the second meeting of the Third Session of the Supervisory Committee held in March of the same year, the Supervisory Committee reviewed and approved five agenda items, including the financial statements for the year 2008, the independent auditors' report, the profit distribution and dividend proposal, the Supervisory Committee's report for the year 2008 and the working plan of the Supervisory Committee for the year 2009. At the third meeting of the Third Session of the Supervisory Committee held in August 2009, the Supervisory Committee has reviewed the interim financial statements and the independent auditors' review report of 2009. At the fourth meeting of the Third Session of the Supervisory Committee held in October of the same year, the Supervisory Committee approved the resignation of Mr. Xiao Jinxue as a Supervisor of the Company due to a change in job responsibility. On the same day, the Supervisory Committee proposed to elect Mr. Miao Jianhua as a supervisor of the Company. At the fifth meeting of the Third Session of the Supervisory Committee held in December 2009, the Supervisory Committee elected Mr. Miao Jianhua as the Chairman of the Third Session of the Supervisory Committee of China Telecom Corporation Limited. During the reporting period, members of the Supervisory Committee supervised the major decision-making processes of the Company and the performance of duties carried out by members of the Board of Directors and the senior management through their attendance at the Extraordinary General Meeting, meetings of the Board of Directors and meetings of the Audit Committee.

The Supervisory Committee is of the view that 2009 was a remarkable year in the history of the development of the Company. Following the acquisition pursuant to the industry restructuring and grant of 3G license, the Company realised the long dream to start the full services operation and confronted with unprecedented opportunities and challenges. The Company as a whole has attained significant achievements by striving together to accomplish all targeted missions and proactively tackling severe market competition and the negative impacts brought by the global financial crisis. The Supervisory Committee is satisfied with the performance of the Company in 2009 and is confident with the future of the Company.

The Supervisory Committee believes that during 2009, all members of the Board of Directors and members of senior management have upheld the principles of diligence and integrity, safeguarded the interests of shareholders, fulfilled their role fully in accordance with the Articles of Association of the Company, diligently implemented the resolutions approved at the shareholders' general meetings and the board meetings, and persistently managed operations in accordance with the relevant regulations for listed companies. The Supervisory Committee did not observe any behaviors that have breached the laws, rules and Articles of Association of the Company, or affected the interests of shareholders.

Upon the review of the unqualified financial statements of the Company for the year ended 2009 and other relevant information which was prepared in accordance with PRC Accounting Standards for Business Enterprises and regulations and International Financial Reporting Standards as audited by domestic certified accountants and international auditors of the Company, and proposed to be submitted to the shareholders' general meeting by the Board of Directors, the Supervisory Committee is of the opinion that the financial statements are prepared in accordance with the principle of consistency and that they truly and fairly reflect the Company's financial position, results of operations and cash flows.

In 2010, the Supervisory Committee will continue to do its best to further improve the planning of supervision and strengthening its efforts in monitoring to preserve the interests of all investors.

By Order of the Supervisory Committee

**Miao Jianhua**

*Chairman of the Supervisory Committee*

Beijing, PRC  
22 March 2010

