

Report of the Supervisory Committee

During the reporting period, all members of the Supervisory Committee acted 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 and diligently in carrying out their supervisory function to safeguard the interests of shareholders and the Company.

During the reporting period, the Supervisory Committee held two meetings. At the eighth meeting of the Third Session of the Supervisory Committee held in March 2011, the Supervisory Committee reviewed and approved six agenda items, including the financial statements for the year 2010, the independent auditor's report, the profit distribution and dividend proposal, the Supervisory Committee's report for the year 2010, the working plan of the Supervisory Committee for the year 2011, and the re-election of the Supervisory Committee. At the first meeting of the Fourth Session of the Supervisory Committee held in August of the same year, the Supervisory Committee elected Mr. Miao Jianhua to continue his term of office as the Chairman of the Fourth Session of the Supervisory Committee, reviewed the interim financial statements and the independent auditor's review report for the year 2011, and also reviewed the remuneration proposal for the Independent Supervisor of the Fourth Session of the Supervisory Committee. During the reporting period, members of the Supervisory Committee supervised the major decision-making process of the Company and the performance of duties by the members of the Board and the senior management through their attendance at the relevant meetings such as the 2010 Shareholders' General Meeting, meetings of the Board, and meetings of the Audit Committee.

The Supervisory Committee is of the view that in 2011, despite fierce market competition, the Company continued to deepen its strategic transformation, strengthened its network infrastructure, increased its innovative strength, refined its precision management, and optimised its resource allocation. The operating revenues of the Company reached RMB244,943 million (excluding the amortisation of upfront connection fees, same below), an increase of 11.7% from last year. The business structure continued to be optimised. The revenue contributions from mobile service, wireline broadband, and wireline value-added and integrated information services accounted for 64.9% of the operating revenues, representing an increase of 5.6 percentage points from last year. EBITDA reached RMB94,266 million, representing an increase of 6.5% from last year. Profit attributable to equity holders of the Company reached RMB16,404 million, representing an increase of 10.5% from last year. In summary, China Telecom has achieved a head start on the Twelfth Five-year Plan period, and has taken another new step forward towards building an integrated information service provider. Meanwhile, the Company attached great importance to corporate governance and operation in good faith. In accordance with Section 404 of

the US Sarbanes-Oxley Act of 2002 and other regulatory rules, the Company stepped up the development of its internal control system and strengthened the exercise of its internal control. As a result, the internal control environment and management of the Company continued to improve, and the Company's development is soundly and steadily on track. The Supervisory Committee is satisfied with the performance of the Company in 2011 and is confident of the Company's prospects.

The Supervisory Committee believes that during 2011, all members of the Board and members of senior management have complied with rules and regulations, upheld the principles of diligence and integrity, safeguarded the interests of shareholders, fulfilled their responsibilities fully in accordance with the Articles of Association of the Company, diligently implemented the resolutions of the shareholders' general meetings and the Board meetings, and strictly complied with the relevant regulations for listed companies. The Supervisory Committee has not observed any behaviors that breached the laws, rules, and Articles of Association of the Company, or damaged the interests of shareholders.

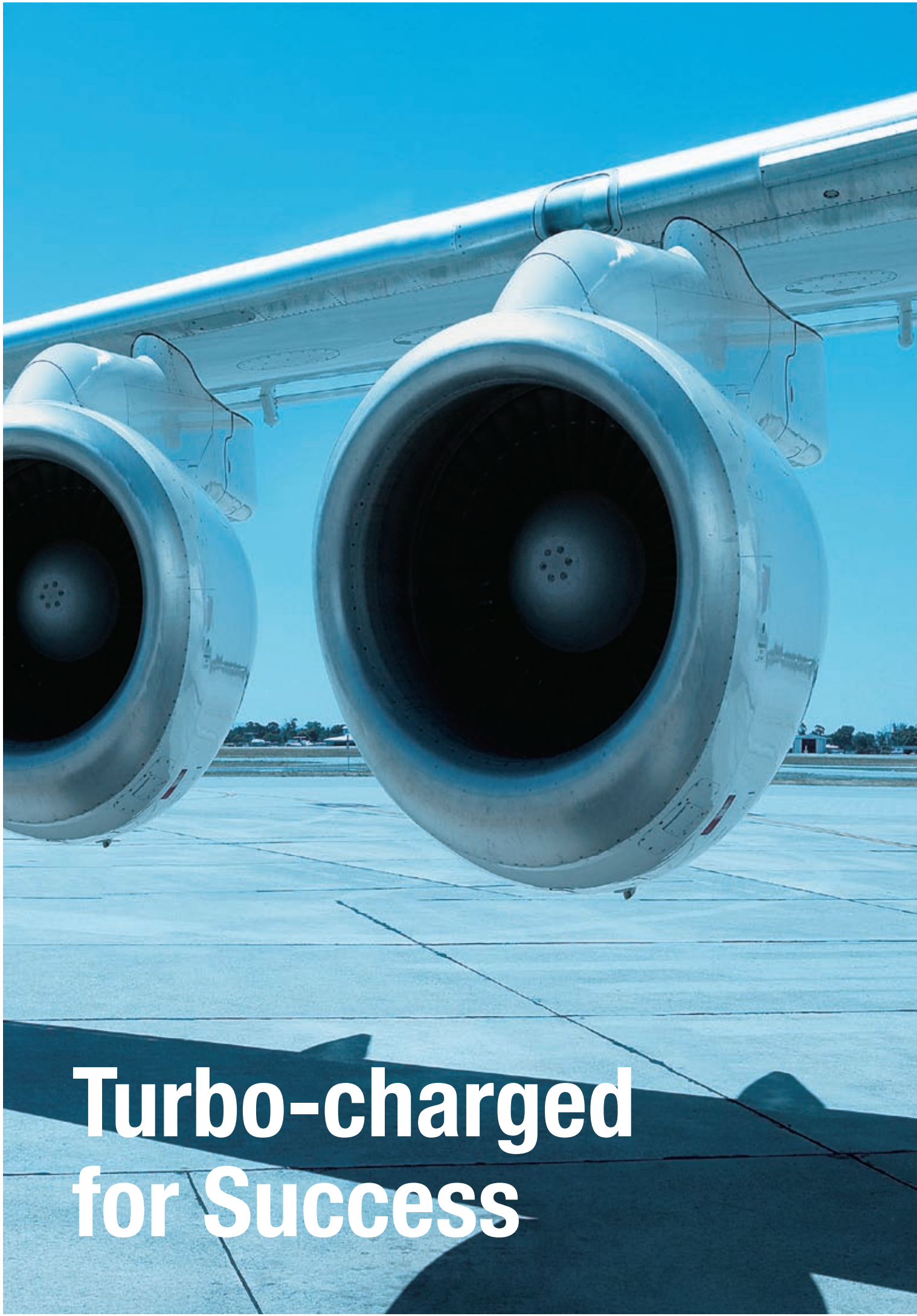
Upon the review of the unqualified financial statements for the year 2011 and other relevant information, which were prepared in accordance with PRC Accounting Standards for Business Enterprises and regulations and International Financial Reporting Standards as audited by PRC certified accountants and international auditors of the Company and the review of the changes in accounting policies and related retrospective adjustments as a result of adoption of the amendment to IFRS 1 by the Company and proposed to be submitted to the shareholders' general meeting by the Board, the Supervisory Committee is of the opinion that the financial statements were prepared in accordance with the principle of consistency and that they truly and fairly reflect the Company's financial position, results of operation and cash flows, and that the significant changes in accounting policies are in accordance with the requirements of IFRS, and the related retrospective adjustments are reasonable and accurate.

In 2012, the Supervisory Committee will continue to strictly adhere to the Articles of Association of the Company and relevant regulations, assume its responsibility to protect the interests of the shareholders and the Company, monitor the Company to fulfill its commitment to its shareholders, further broaden the planning of supervision and strengthen its efforts in monitoring to protect the interests of all investors.

By Order of the Supervisory Committee
Miao Jianhua
Chairman of the Supervisory Committee

Beijing, PRC
20 March 2012





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>126,000,000 Mobile subscribers

World’s largest broadband operator

>76,000,000 Wireline broadband subscribers