



News Release

25 October 2005
For Immediate Release

China Telecom Corporation Limited successfully issued short term
commercial paper

China Telecom Corporation Limited (the "Company") (HKSE: 0728; NYSE: CHA) announced today that the company has successfully completed the issue of a 6-month, 10 billion RMB denominated short term commercial paper ("the Issue"), with annual interest rate of 2.54%. The Issue was placed through a centralized book-building and allocation process in the PRC inter-bank debenture market on a discounted basis. The Issue is one of the largest commercial paper issues up till now.

The Company will use the proceeds of the Issue to satisfy its funding needs of production and operation. The Company considers that the Issue of short term commercial paper will enable it to lower its finance costs, to diversify its capital-raising channels, and to improve its market image.

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