



## 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)*

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of China Telecom Corporation Limited (the "Company") for the year ended 31 December 2002 will be held at 10:00 a.m. on 20 June 2003 at Beijing Nan Yue Yuan Hotel, 186 Zheng Wang Fen, Feng Tai District, Beijing, PRC to consider the following businesses:

### ORDINARY RESOLUTIONS

1. to consider and approve the consolidated financial statements of the Company, the report of the Board of Directors, the report of the Supervisory Committee and the report of the international auditors for the year ended 31 December 2002;
2. to consider and approve the profit distribution proposal and declaration and payment of a final dividend for the year ended 31 December 2002;
3. to consider and approve the appointment of Mr. Shi Wanpeng as an independent non-executive director of the Company;
4. to consider and approve the annual remuneration proposal for the Company's directors for the year to be ended 31 December 2003. The current salary system of a state-owned enterprise shall be changed into the salary system based on a joint stock company with salary benefits of a joint stock company which include the basic salary, allowance and subsidies, performance based bonus, annuity, insurance benefits and share appreciation rights;
5. to consider and approve the reappointment of KPMG Huazhen as the Company's domestic auditors and KPMG as the Company's international auditors for the year ending 31 December 2003 and the authorisation to the directors to fix the remuneration thereof; and
6. to consider and approve other matters, if any.

And as special business, to consider and, if thought fit, to pass the followings as special resolutions:

### SPECIAL RESOLUTIONS

7. "THAT:
  - (a) subject to paragraph (c) below, the exercise by the directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options which might require the exercise of such powers be hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) shall authorise the directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association, shall not exceed the aggregate of (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, plus (bb) (if the directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution), and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Articles of Association or the Companies Ordinance to be held; and
- (iii) the revocation or variation of the authority given to the directors under this Resolution by resolution of the Company’s shareholders in general meetings; and

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of Shares on the register of members on a fixed record date in proportion of their then holdings of such Shares (subject to such exclusion or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirement of, any recognised regulatory body or any stock exchange in any territory applicable to the Company) and an offer, allotment or issue of shares by way of rights shall be construed accordingly.”

- 8. **“THAT** the directors be and are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of Resolution 7 in respect of the share capital of the Company repurchased by the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

After the completion of the global offering of the Company’s shares and pursuant to the Chinese laws and regulations, the following amendments to the Articles of Association shall be made to the provisions relating to the Company’s shareholding structure.

- 9. **“THAT** amendments shall be made to the Articles of Association in order to reflect the aggregate number of shares issued by the Company and the details of the amendments are as follows:

(a) Article 6 of the Articles of Association shall be restated as follows:

In accordance with the provisions of the Company Law, the Special Regulations and the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”) and other PRC laws and administrative regulations, the Company convened its general meeting on 20 June 2003 to amend the original Articles of Association of the Company (the “Original Articles of Association”) and adopt these Articles of Association (the “Articles of Association” or “these Articles of Association”).

(b) Article 20 of the Company’s Articles of Association shall be restated as follows:

By the approval of the relevant companies department authorised by the State Council, the Company may issue a total of 75,614,186,503 ordinary shares, of which 68,317,270,803 were issued to the promoter of the Company at the time when the Company was established, representing 90.35% of the entire issued share capital.

(c) Article 21 of the Company’s Articles of Association shall be restated as follows:

All the 7,296,915,700 ordinary shares issued by the Company after its incorporation are the overseas-listed foreign-invested shares (H Shares). A total of 730,494,300 shares have been reduced from the respective shareholdings of the State-owned shareholders of the Company, namely, China Telecommunications Corporation, Guangdong Rising Assets Management Co., Ltd., Jiangsu Guoxin Investment Group Co., Ltd. and Zhejiang Financial Development Company during the global offering and all the reduced shares have become the overseas-listed foreign-invested shares (H Shares). The total of the overseas-listed foreign-invested shares (H Shares) issued by the Company shall be 8,027,410,000 shares, representing 10.62% of the issued share capital of the Company.

The share capital structure of the Company is as follows: there are a total of 75,614,186,503 ordinary shares issued, of which 58,809,120,182 shares are held by the promoter, China Telecommunications Corporation, representing 77.78% of the total of the ordinary shares issued by the Company. The other holders of the domestic shares are Guangdong Rising Assets Management Co., Ltd., holding a total of 5,658,608,387 shares representing 7.48% of the total of the ordinary shares issued by the Company, Jiangsu Guoxin Investment Group Co., Ltd., holding a total of 964,621,836 shares representing 1.27% of the total of the ordinary shares issued by the Company and Zhejiang Financial Development Company, holding a total of 2,154,426,098 shares representing 2.85% of the total of the ordinary shares issued by the Company. A total of 8,027,410,000 overseas-listed foreign-invested share are held by holders of overseas-listed foreign-invested shares, representing 10.62% of the total of the ordinary shares issued by the Company.”

10. “**THAT** Article 43 of the Articles of Association shall be amended as follows due to the repeal of the Securities (Clearing Houses) Ordinance on 1 April 2003:

The transfer of Overseas-Listed Foreign Invested Shares in the Company listed in Hong Kong shall be carried out in writing on normal or standard instruments of transfer or on a form acceptable to the Board of Directors; and such transfer instrument can be signed only by hand or, if the transferor or transferee is a securities clearing institution or its representative recognised in accordance with section 37 of the Securities and Futures Ordinance (Hong Kong Law Chapter 571), signed by hand or signed in printed mechanical form. All the transfer instruments shall be maintained in the legal address of the Company or other place the Board of Director may designate from time to time.”

Beijing, PRC

24 April 2003

**Notes:**

- (1) Buyers who submit the share transfer application forms to the Company's share registrar before 4:00 p.m. on 19 May 2003 (Monday) and then registered as shareholders on the register of members of the Company are entitled to attend the annual general meeting.
- (2) Each shareholder entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend and vote on his behalf at the annual general meeting. A proxy need not be a shareholder. Each shareholder who wishes to appoint one or more proxies should first review the annual report of the Company for the year 2002, which is expected to be despatched to shareholders before 30 April 2003 (Wednesday).
- (3) To be valid, the form of proxy together with the power of attorney or other authorisation document (if any) signed by the authorised person or notarially certified power of attorney must be delivered to the Secretariat of the board for holders of domestic shares and to the Computershare Hong Kong Investor Services Limited for holders of H shares not less than 24 hours before the designated time for the holding of the annual general meeting. Completion and return of a form of proxy will not preclude a shareholder from attending in person and voting at the annual general meeting if he so wishes.

The address of the share registrar for the Company's H Shares is as follows:

Computershare Hong Kong Investor Services Limited

Rooms 1712–1716, 17th Floor, Hopewell Centre 183 Queens Road East, Wanchai, Hong Kong

- (4) A proxy of a shareholder may vote by hand or vote on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- (5) In connection with special resolution 7 set out above, the directors have no plans to issue any new share for the time being. In accordance with section 57B of the Companies Ordinance (Cap. 32) and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the authorisation given by the shareholders is a general mandate.
- (6) The registration procedure for attending the annual general meeting:
  - (a) shareholder attending the annual general meeting in person or by proxy shall present its identity certification. If the attending shareholder is a corporation, its legal representative or person authorised by the board or other decision making authority shall present the copy of the relevant resolution of the board or other decision making authority in order to attend the annual general meeting; and
  - (b) shareholders intending to attend the annual general meeting shall return the attendance slip via hand delivery, mail or fax to the Secretariat on or before 30 May 2003 (Friday).
- (7) Closure of the register of members:

The register of members of the Company will be closed from 20 May 2003 (Tuesday) to 20 June 2003 (Friday) (both days inclusive).

- (8) The annual general meeting is expected to last for half a day and shareholders (in person or by proxy) attending the annual general meeting shall be responsible for their own transportation and accommodation expenses.
- (9) The address of the Secretariat of the Board is as follows:

31 Jinrong Street  
Xicheng District, Beijing 100032  
PRC

Contact person:	Li Ping
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