

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



China Telecom Corporation Limited

中國電信股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

ANNOUNCEMENT

The board of directors (the “**Board**”) of China Telecom Corporation Limited (the “**Company**”) is pleased to announce that completion of the Acquisition in accordance with the terms of the Acquisition Agreement dated October 26, 2003 between the Company and China Telecommunications Corporation has taken place on December 31, 2003.

Introduction

Reference is made to the shareholders’ circular dated October 27, 2003 (the “**Circular**”) and the announcement dated December 15, 2003 issued by the Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Circular.

Completion of the Acquisition

The Board is pleased to announce that completion of the Acquisition in accordance with the terms of the Acquisition Agreement dated October 26, 2003 between the Company and China Telecommunications Corporation has taken place on December 31, 2003.

Connected Transactions

The Stock Exchange has granted a conditional waiver from strict compliance with the requirements of Chapter 14 of the Hong Kong Listing Rules in relation to the interconnection agreement, engineering agreements, community services agreements and ancillary telecommunications services agreements as described in the Circular, which will be effective for two years from January 1, 2004 to December 31, 2005. The details of the conditions of the waiver are set out in the Circular.

By Order of the Board
China Telecom Corporation Limited
Li Ping
Company Secretary

Beijing, December 31, 2003

Please also refer to the published version of this announcement in the (South China Morning Post)