



China Telecom Corporation Limited

中國電信股份有限公司

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

NOTICE OF THE CLASS MEETING FOR HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN that a class meeting of the holders of H shares of China Telecom Corporation Limited (the "Company") with a nominal value of RMB1.00 each ("H Share Class Meeting") will be held at 11:00 a.m. on 3 May 2004 at Beijing Nan Yue Yuan Hotel, 186 Zheng Wang Fen, Feng Tai District, Beijing, PRC, to seek the approval of the holders of H shares in the H Share Class Meeting to pass the following special resolutions:

SPECIAL RESOLUTIONS

- "**THAT** the directors of the Company be authorised to issue and allot up to 8,317,560,515 new H Shares (the "*New H Shares*"), which comprises (i) up to 7,561,418,650 New H Shares representing approximately 10% of the current registered share capital of the Company (the "*Primary Shares*"), and (ii) up to 756,141,865 New H Shares (representing 10% of the 7,561,418,650 Primary Shares to be issued and allotted) upon conversion of up to 756,141,865 existing domestic shares held by PRC state shareholders (the "*Secondary Shares*") to comply with the Provisional Measures on the Administration of the Reduction of the State Owned Shares for Raising Social Security Funds (《減持國有股籌集社會保障資金管理暫行辦法》), subject to the following:
 - the number of Secondary Shares actually issued and allotted upon conversion from domestic shares shall be 10% of the number of Primary Shares actually issued and allotted by the Company at any time and from time to time pursuant to this special resolution;
 - any issue and allotment of the New H Shares pursuant to this special resolution shall be made on such terms and conditions as the directors of the Company (or a duly authorised committee thereof) consider to be appropriate and in the best interests of the Company and subject to the other conditions, including size, timing and price, as mentioned in this special resolution;
 - the price at which any or all of the New H Shares may be issued and allotted by the directors of the Company pursuant to this special resolution shall be determined by reference to the prevailing market price of the H Shares at the time of offering and all other relevant market considerations. Such price will in any event be within a range of 20% below or above the prevailing market price of the H Shares of the Company at the time of the offering;
 - the net proceeds from any such issue and allotment of the Primary Shares shall wholly fund the Company's Potential Acquisition (as defined in the circular accompanying this notice). If the Potential Acquisition does not proceed for whatever reason, any net proceeds raised from the issue and allotment of the Primary Shares pursuant to the New Issue will be used for the Company's other similar possible strategic acquisitions. Pending such use, the Company will invest such net proceeds in certificates of deposit, US government securities or certain other interest-bearing securities or place such net proceeds in bank deposits. Any use, investment or deposit of the net proceeds as mentioned above other than for the Potential Acquisition will have been reviewed and approved by the independent non-executive directors of the Company;
 - any New H Shares to be issued and allotted shall be offered to investors who are independent of and not connected with any promoter, director, supervisor, chief executive or substantial shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")) of the Company or any of its subsidiaries or an Associate (as defined in the Listing Rules) of any of them, in full compliance with the rules and regulations of the Listing Rules and all applicable laws;
 - approval of the issue and allotment of the New H Shares shall be obtained from the holders of domestic shares by way of special resolution at a separate class meeting of holders of domestic shares and from shareholders of the Company by way of special resolution at an extraordinary general meeting;
 - approvals for the issue and allotment of the New H Shares shall be obtained from all relevant PRC governmental and regulatory authorities; and
 - the authority to the directors of the Company to issue and allotment the New H Shares pursuant to the New Issue shall lapse on 2 November 2004, being the date falling 6 months following the passing of this special resolution."

- "**THAT** the directors of the Company be authorised to increase the registered capital of the Company and to make such appropriate and necessary amendments to the articles of association of the Company as they think fit to reflect the registered capital of the Company following the issue and allotment of any or all of the New H Shares as the directors of the Company may in their discretion decide to issue and allot pursuant to special resolution (1) above."

- "**THAT** subject to the passing of special resolution (1) above, the holders of H shares of the Company hereby, for the avoidance of doubt, waive their pre-emptive rights (if any) over any or all of the New H Shares which may be issued and allotted pursuant to special resolution (1)."

By Order of the Board
Li Ping
Company Secretary

Hong Kong
17 March 2004

Notes:

- Buyers who submit the share transfer application forms to the Company's share registrar before 4:00 p.m. on 2 April 2004 and then register as holders of the H shares on the register of members of the Company are entitled to attend the H Share Class Meeting.
- Each shareholder entitled to attend and vote at the H Share Class Meeting may appoint one or more proxies to attend and vote on his behalf at the H Share Class Meeting. A proxy need not be a shareholder.
- 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 Computershare Hong Kong Investor Services Limited not less than 24 hours before the designated time for the holding of the H Share Class Meeting. Completion and return of a form of proxy will not preclude a holder of H shares of the Company from attending in person and voting at the H Share Class 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 1901-1905, 19th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai,
Hong Kong

- 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.
- The registration procedure for attending the H Share Class Meeting:
 - holders of H shares of the Company attending the H Share Class Meeting in person or by proxy shall present their 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 H Share Class Meeting.
 - holders of H shares intending to attend the H Share Class Meeting shall return the attendance slips via hand delivery, mail or fax to the office of the board of directors of the Company on or before 12 April 2004.
- The register of members of the Company will be closed from 3 April 2004 to 3 May 2004 (both days inclusive).
- Shareholders (in person or by proxy) attending the H Share Class Meeting shall be responsible for their own transportation and accommodation expenses.
- The address of the office of the board of directors is as follows:

31 Jinrong Street
Xicheng District, Beijing 100032
PRC

Contact person: Li Ping
Telephone: (8610) 6642 8166
Facsimile: (8610) 6601 0728

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of China Telecom Corporation Limited (the "Company") will be held at 12:00 noon on 3 May 2004 at Beijing Nan Yue Yuan Hotel, 186 Zheng Wang Fen, Feng Tai District, Beijing, PRC, to seek the approval of the shareholders in general meeting to pass the following special resolutions:

SPECIAL RESOLUTIONS

- "**THAT** the directors of the Company be authorised to issue and allot up to 8,317,560,515 new H Shares (the "*New H Shares*"), which comprises (i) up to 7,561,418,650 New H Shares representing approximately 10% of the current registered share capital of the Company (the "*Primary Shares*"), and (ii) up to 756,141,865 New H Shares (representing 10% of the 7,561,418,650 Primary Shares to be issued and allotted) upon conversion of up to 756,141,865 existing domestic shares held by PRC state shareholders (the "*Secondary Shares*") to comply with the Provisional Measures on the Administration of the Reduction of the State Owned Shares for Raising Social Security Funds (《減持國有股籌集社會保障資金管理暫行辦法》), subject to the following:
 - the number of Secondary Shares actually issued and allotted upon conversion from domestic shares shall be 10% of the number of Primary Shares actually issued and allotted by the Company at any time and from time to time pursuant to this special resolution;
 - any issue and allotment of the New H Shares pursuant to this special resolution shall be made on such terms and conditions as the directors of the Company (or a duly authorised committee thereof) consider to be appropriate and in the best interests of the Company and subject to the other conditions, including size, timing and price, as mentioned in this special resolution;
 - the price at which any or all of the New H Shares may be issued and allotted by the directors of the Company pursuant to this special resolution shall be determined by reference to the prevailing market price of the H shares at the time of offering and all other relevant market considerations. Such price will in any event be within a range of 20% below or above the prevailing market price of the H shares of the Company at the time of the offering;
 - the net proceeds from any such issue and allotment of the Primary Shares shall wholly fund the Company's Potential Acquisition (as defined in the circular accompanying this notice). If the Potential Acquisition does not proceed for whatever reason, any net proceeds raised from the issue and allotment of the Primary Shares pursuant to the New Issue will be used for the Company's other similar possible strategic acquisitions. Pending such use, the Company will invest such net proceeds in certificates of deposit, US government securities or certain other interest-bearing securities or place such net proceeds in bank deposits. Any use, investment or deposit of the net proceeds as mentioned above other than for the Potential Acquisition will have been reviewed and approved by the independent non-executive directors of the Company;
 - any New H Shares to be issued and allotted shall be offered to investors who are independent of and not connected with any promoter, director, supervisor, chief executive or substantial shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")) of the Company or any of its subsidiaries or an Associate (as defined in the Listing Rules) of any of them, in full compliance with the rules and regulations of the Listing Rules and all applicable laws;
 - approval of the issue and allotment of the New H Shares shall be obtained from the holders of H shares by way of special resolution at a separate class meeting of holders of H shares and from the holders of domestic shares of the Company by way of special resolution at a separate class meeting of holders of domestic shares;
 - approvals for the issue and allotment of the New H Shares shall be obtained from all relevant PRC governmental and regulatory authorities; and
 - the authority to the directors of the Company to issue and allotment the New H Shares pursuant to the New Issue shall lapse on 2 November 2004, being the date falling 6 months following the passing of this special resolution."

- "**THAT** the directors of the Company be authorised to increase the registered capital of the Company and to make such appropriate and necessary amendments to the articles of association of the Company as they think fit to reflect the registered capital of the Company following the issue and allotment of any or all of the New H Shares as the directors of the Company may in their discretion decide to issue and allot pursuant to special resolution (1) above."

- "**THAT** subject to the passing of special resolution (1) above, the shareholders of the Company hereby, for the avoidance of doubt, waive their pre-emptive rights (if any) over any or all of the New H Shares which may be issued and allotted pursuant to special resolution (1)."

By Order of the Board
Li Ping
Company Secretary

Hong Kong
17 March 2004

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- Buyers who submit the share transfer application forms to the Company's share registrar before 4:00 p.m. on 2 April 2004 and then register as shareholders on the register of members of the Company are entitled to attend the extraordinary general meeting.
- Each shareholder entitled to attend and vote at the extraordinary general meeting may appoint one or more proxies to attend and vote on his behalf at the extraordinary general meeting. A proxy need not be a shareholder.
- 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 office 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 extraordinary general meeting. Completion and return of a form of proxy will not preclude a shareholder from attending in person and voting at the extraordinary 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
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- 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.
- The registration procedure for attending the extraordinary general meeting:
 - shareholders attending the extraordinary general meeting in person or by proxy shall present their 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 extraordinary general meeting.
 - shareholders intending to attend the extraordinary general meeting shall return the attendance slips via hand delivery, mail or fax to the office of the board of directors of the Company on or before 12 April 2004.
- The register of members of the Company will be closed from 3 April 2004 to 3 May 2004 (both days inclusive).
- Shareholders (in person or by proxy) attending the extraordinary general meeting shall be responsible for their own transportation and accommodation expenses.
- The address of the office of the board of directors is as follows:

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