



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)

(Stock Code: 0728)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of China Telecom Corporation Limited (the "Company") will be held at 10:00 a.m. on October 20, 2004 at 31 Jinrong Street, Xicheng District, Beijing, PRC for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION

1. THAT the appointment of Mr. Yang Jie and Mr. Sun Kangmin to serve as the executive directors of the Company be and is hereby considered and approved with their term of office starting from the date of this resolution to September 9, 2005 and that any director of the Company be and is hereby authorized to sign on behalf of the Company the director's service contract with Mr. Yang Jie and Mr. Sun Kangmin respectively, and that the board of directors be and is hereby authorized to determine their remunerations.

SPECIAL RESOLUTION

2. THAT the articles of association of the Company (the "Articles of Association") be and are hereby amended as follows:

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

"The Company's Articles of Association (the "Articles of Association" or "these Articles of Association") are enacted 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."

- (b) Article 20 of the Articles of Association shall be amended as follows:

"By the approval of the relevant companies department authorised by the State Council, the Company may issue a total of 80,932,368,321 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 84.41% of the entire issued share capital."

- (c) Article 21 of the Articles of Association shall be amended as follows:

"All the 12,615,097,518 ordinary shares issued by the Company after its incorporation are the overseas-listed foreign-invested shares (H Shares). Pursuant to the *Provisional Measures on the Administration of the Reduction of the State-Owned Shares for Raising Social Security Funds*, the number of overseas-listed foreign-invested shares (H Shares) converted from a reduction by holders of State-owned shares of their shareholdings of the State-owned shares amounted to 1,262,312,482 shares. The total of the overseas-listed foreign-invested shares (H Shares) issued by the Company shall be 13,877,410,000 shares, representing 17.15% of the issued share capital of the Company.

The share capital structure of the Company is as follows: there are a total of 80,932,368,321 ordinary shares issued, of which 58,346,370,499 shares are held by the promoter, China Telecommunications Corporation, representing 72.09% 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 5,614,082,653 shares representing 6.94% of the total of the ordinary shares issued by the Company, Jiangsu Guoxin Investment Group Co., Ltd., holding a total of 957,031,543 shares representing 1.18% of the total of the ordinary shares issued by the Company and Zhejiang Financial Development Company, holding a total of 2,137,473,626 shares representing 2.64% of the total of the ordinary shares issued by the Company. A total of 13,877,410,000 overseas-listed foreign-invested shares are held by holders of overseas-listed foreign-invested shares, representing 17.15% of the total of the ordinary shares issued by the Company."

- (d) Article 24 of the Articles of Association shall be amended as follows:

"The registered capital of the Company shall be RMB80,932,368,321."

- (e) The first paragraph of Article 94 of the Articles of Association shall be amended as follows:

"The Company shall have a board of directors. The board of directors shall consist of fifteen (15) directors, of which three (3) shall be independent (non-executive) directors (meaning directors who are independent from the Company's shareholders and do not hold office in the Company hereinafter)."

- (f) The second paragraph of Article 133 of the Articles of Association shall be amended as follows:

"If a director or his associate (as defined in the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited) has a material interest in any contract, transaction, arrangement or other matters that requires the approval of the board of directors, the relevant director shall not vote for the relevant matter at the meeting of the board of directors, and shall not be listed in the quorum of the meeting."

THAT the directors of the Company be and are hereby authorized to take all actions which in their opinion are necessary or desirable to complete the procedures for the approval and/or registration or filing of the aforementioned amendment of the Articles of Association."

DETAILS CONCERNING THE PROPOSED NEW DIRECTORS

Details concerning the proposed new directors are as follows:

Mr. Yang Jie

Mr. Yang Jie, aged 42, is a senior engineer. In 1984, Mr. Yang graduated from Beijing University of Posts and Telecommunications with a bachelor's degree in wireless electronic engineering. He then obtained a master degree of telecommunications and information management at the Norwegian School of Management. Mr. Yang previously served as the Deputy Director General of Shanxi Administration Bureau of Posts and Telecommunications, the General Manager of Shanxi Telecommunications Corporation, the Vice President of China Telecom Beijing Research Institute and the General Manager of the Northern Telecom Department of China Telecom. He is currently serving as the Deputy General Manager of China Telecommunications Corporation. Mr. Yang has 20 years of experience in handling issues relating to the operation and management of the telecommunications industry in China.

Equity Interest in the Company

As of the date hereof, Mr. Yang has no equity interest in the Company.

Mr. Sun Kangmin

Mr. Sun Kangmin, aged 47, is a senior engineer. Mr. Sun previously served as the Department Head of the Information Industry Department of Sichuan Province, the Director General of Communications Bureau of Sichuan Province as well as the Chairman and the General Manager of Sichuan Telecom Company Limited. Mr. Sun has 21 years of experience in handling issues relating to the operation and management of the telecommunications industry in China.

Equity Interest in the Company

As of the date hereof, Mr. Sun has no equity interest in the Company.

By Order of the Board
Li Ping
Company Secretary

September 1, 2004.

Notes:

1. The Register of Members of the Company will be closed from September 20, 2004 and October 20, 2004 (both dates inclusive), during which time no share transfers of the Company's H shares will be effected. Buyers who submit the share transfer application forms to the Company's share registrar before 4:00 p.m. on September 17, 2004 (Friday) and then registered as Shareholders on the register of members of the Company are entitled to attend the extraordinary general meeting.
2. 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.
3. To be valid, the form of proxy together with the power of attorney or other authorization document (if any) signed by the authorized 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
46th 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. The registration procedure for attending the extraordinary general meeting is as follows:
 - (a) shareholders attending the extraordinary general meeting in person or by proxy are required to present their identity certification. If the attending shareholder is a corporation, its legal representative or person authorized by the board or other decision making authority is required to present a copy of the relevant resolution of the board or other decision making authority approving it is the legal or duly authorized representative in order to attend the extraordinary general meeting on behalf of such corporation; and
 - (b) shareholders intending to attend the extraordinary general meeting "in person or by proxy" are required to return the attendance slip via hand delivery, mail or fax to the Office of the Board of Directors on or before Wednesday, September 29, 2004.

6. The extraordinary general meeting is expected to last for half a day and shareholders (in person or by proxy) attending the extraordinary general meeting shall be responsible for their own transportation and accommodation expenses.

7. 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
Fax: (8610) 6601 0728

8. As of the date of this announcement, our Board consists of Mr. Zhou Deqiang as the chairman and chief executive officer, Mr. Chang Xiaobing as the president and chief operating officer, Ms. Wu Andi as the executive vice president and chief financial officer, Mr. Zhang Jiping as the executive vice president, Ms. Huang Wenlin as the executive vice president, Mr. Li Ping as the executive vice president and company secretary, Mr. Wei Leping as the executive vice president, Mr. Cheng Xiyuan and Mr. Feng Xiong as the executive directors, Mr. Zhang Youcai, Mr. Vincent Lo Hong Sui and Mr. Shi Wanpeng as the independent non-executive directors.