



# 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)**

### **CONTINUED SUSPENSION OF TRADING**

On 24 May 2008, the Ministry of Industry and Information, the National Development and Reform Commission and the Ministry of Finance issued the Announcement on Deepening the Reform of the Structure of the Telecommunications Sector (關於深化電信體制改革的通告). The Announcement clearly states that the principal goals for the reform of the structure of the telecommunications sector are: to grant three 3G licences and to support the formation of three market competitors where each has nationwide network resources, relatively comparable strength and scale as well as full services operation capabilities with enhanced competitiveness. In light of the current telecommunications industry landscape and for the purpose of implementing such goals, the acquisition of the CDMA network (including assets and subscribers) of China Unicom by China Telecom, the merger of China Unicom and China Netcom, the transfer of the basic telecommunications business of China Satellite Communications into China Telecom and the merger of China Tietong into China Mobile are encouraged. Such reform and restructuring is associated with the grant of 3G licences which will be granted upon completion of the restructuring. Further details on the necessity, guidance thoughts, main principles and goals, associated policy measures and the implementation requirements in relation to deepening the reform of the structure of the telecommunications sector are set out in detail in the Announcement which can be found on the website of the Ministry of Industry and Information ([www.mii.gov.cn](http://www.mii.gov.cn)).

The Company believes that deepening the reform of the structure of the telecommunications sector will promote the healthy and coordinate development of the telecommunications industry and is also beneficial to the sustainable development of the Company. As a result of the development needs of the Company and having considered the intent set out in the above Announcement, the Company is currently discussing the potential acquisition of the CDMA business from China Unicom Limited. As at the date of this announcement, no contractual term, including the price of such potential acquisition, has been agreed and the potential acquisition may or may not proceed. The Company will issue a further announcement to inform investors and shareholders at an appropriate time. In the meantime, trading in the shares of the Company will remain suspended.

In addition, the Company has been notified by its parent company, China Telecommunications Corporation (中國電信集團公司), that Mr. Shang Bing, Mr. Yang Xiaowei and Mr. Miao Jianhua has joined the management team of China Telecommunications Corporation.

As of the date of this announcement, the Board consists of Mr. Wang Xiaochu as the chairman and chief executive officer, Mr. Leng Rongquan as the president and chief operating officer, Madam Wu Andi as the executive vice president and chief financial officer, Mr. Zhang Jiping, Mr. Zhang Chenshuang, Mr. Li Ping, Mr. Yang Jie and Mr. Sun Kangmin as the executive vice presidents, Mr. Li Jinming as the non-executive director, and Mr. Zhang Youcai, Mr. Lo Hong Sui, Vincent, Mr. Shi Wanpeng, Mr. Xu Erming and Mr. Tse Hau Yin, Aloysius as the independent non-executive directors.

By Order of the Board

**China Telecom Corporation Limited**

**Wang Xiaochu**

*Chairman and Chief Executive Officer*

Beijing, PRC, 25 May 2008