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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: 728)

Proposed 2009 Final Dividend Distribution and Enterprise Income

Tax Withholding of Overseas Non-Resident Enterprises

The board of China Telecom Corporation Limited (the "Company") proposes a final dividend in the amount equivalent to HK\$0.085 per share (pre-tax), totalling approximately RMB6,076 million for the year ended 31 December 2009. The dividend proposal will be submitted for consideration at the Annual General Meeting to be held on 25 May 2010. Dividends will be denominated and declared in Renminbi. Dividends on domestic shares will be paid in Renminbi, whereas dividends on H shares will be paid in Hong Kong dollars. The relevant exchange rate will be the lowest of the average offer rates of Renminbi to Hong Kong dollars as announced by the key commercial banks in China for the week prior to the date of declaration of dividends at the Annual General Meeting. The proposed 2009 final dividends are expected to be paid around 30 June 2010 upon approval at the Annual General Meeting. In order to determine the list of holders of H shares who are entitled to receive the dividends, the Company's share register will be closed from 25 April 2010 to 25 May 2010 (inclusive of both days), during which period no transfers of shares in the Company will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's H shares registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, before 4:30 p.m. on 23 April 2010.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and the Implementation Rules of the Enterprise Income Tax Law of the People's Republic of China, the Company shall be obliged to withhold 10% enterprise income tax when it distributes the proposed 2009 final dividend to non-resident enterprise shareholders of overseas H shares, (including Hong Kong Securities Clearing Company Nominees Limited, other corporate nominees or trustees, and other entities or organizations) whose names appear on the Company's H share register of members

on 25 May 2010. The individual income tax will not be deducted from any natural person shareholders whose names appear on the Company's H shares register of members on 25 May 2010.

All investors are requested to read this announcement carefully. If you should wish to change your shareholder status, please consult with your agent or trust institution about the relevant procedures. The Company has no obligation and will not be responsible for confirming the identities of the shareholders. The Company will withhold and pay enterprise income tax strictly in compliance with the laws. The Company will not accept any requests relating to any delay in confirming the identity of the shareholders or any errors in the identity of the shareholders.

By Order of the Board
China Telecom Corporation Limited
Yung Shun Loy, Jacky
Company Secretary

Beijing, PRC, 8 April 2010

As of the date of this announcement, the Board of directors of the Company consists of Mr. Wang Xiaochu as the chairman and chief executive officer, Mr. Shang Bing 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. Yang Xiaowei, Mr. Yang Jie, and Mr. Sun Kangmin as the executive vice presidents, Mr. Li Jinming as the non-executive director, and Mr. Wu Jichuan, Mr. Qin Xiao, Mr. Tse Hau Yin, Aloysius, Madam Cha May Lung, Laura, Mr. Xu Erming as the independent non-executive directors.