

## IMPORTANT

If you are in any doubt about this prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.



### 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)

#### GLOBAL OFFERING

Number of Offer Shares under the Global Offering:	16,800,000,000 (subject to adjustment and the Over-allotment Option)
Number of Hong Kong Offer Shares:	840,000,000 (subject to adjustment)
Maximum offer price:	HK\$1.69 per Hong Kong Offer Share payable in full on application in Hong Kong dollars, subject to refund, plus 1% brokerage, SFC transaction levy of 0.007% and a Hong Kong Stock Exchange trading fee of 0.005%
Nominal value:	RMB1.00 each
Stock code:	728

*Joint Global Coordinators and Joint Bookrunners  
(in alphabetical order)*

**China International Capital  
Corporation Limited**

**Merrill Lynch  
Far East Limited**

**Morgan Stanley Dean Witter  
Asia Limited**

*Joint Sponsors and Joint Lead Managers  
(in alphabetical order)*

**China International Capital  
Corporation (Hong Kong) Limited**

**Merrill Lynch  
Far East Limited**

**Morgan Stanley Dean Witter  
Asia Limited**

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix IX to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (on behalf of the Underwriters), the Selling Shareholders and us on the Price Determination Date. It will be set at a level slightly lower than, but will after addition of brokerage of 1%, SFC transaction levy of 0.007% and Hong Kong Stock Exchange trading fee of 0.005%, be equal to the price per H Share of the ADSs, subject to any necessary rounding. The Price Determination Date is expected to be October 31, 2002 and, in any event, not later than November 5, 2002. The Offer Price will be not more than HK\$1.69 and is currently expected to be not less than HK\$1.47. Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum offer price of HK\$1.69 for each Hong Kong Offer Share together with brokerage of 1%, SFC transaction levy of 0.007% and Hong Kong Stock Exchange trading fee of 0.005% subject to refund if the Offer Price should be lower than HK\$1.69.

The Joint Global Coordinators (on behalf of the Underwriters, and with our consent) may reduce the number of Offer Shares and/or the indicative offer price range below that stated in this prospectus (which is HK\$1.47 to HK\$1.69) at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Offer Shares and/or the indicative offer price range will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. If applications for Hong Kong Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offering, then even if the number of Offer Shares and/or the indicative offer price range is so reduced, such applications cannot be subsequently withdrawn. Further details are set out in the Sections headed "Structure of the Global Offering" and "How to apply for Hong Kong Offer Shares" in this prospectus.

If, for whatever reason, we, the Selling Shareholders and the Joint Global Coordinators are not able to agree on the Offer Price, the Global Offering (including the Hong Kong Public Offering) will not proceed.

We are incorporated, and our businesses are located, in the People's Republic of China ("PRC"). Potential investors should be aware of the differences in the legal, economic, and financial systems between the mainland of the PRC and Hong Kong, and that there are different risk factors relating to investment in PRC-incorporated companies. Potential investors should also be aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong, and should take into consideration the different market nature of our Shares. Such differences and risk factors are set out in the Sections headed "Risk Factors" and "Regulation" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares, are subject to termination by the Joint Global Coordinators (on behalf of the Underwriters) if certain grounds arise prior to 8:00 a.m. on the day that trading in the Hong Kong Offer Shares commences on the Hong Kong Stock Exchange. Such grounds are set out in the Section headed "Underwriting" in this prospectus. It is important that you refer to that section for further details.

October 25, 2002