



*Our
Heart*

Our People – Liu Yi



3,000 +

Provided access lines in service to more than 3,000 administrative villages in 6 provinces to enhance sustainable development of rural communications as well as the Company

We are dedicated to operating our business with integrity and honesty to ensure that consumers could enjoy our services with peace of mind. We strive to maintain fair and orderly competition. We advocate win-win co-operation along value chain to foster overall industry development. We aim to leverage our sustained development to contribute to the country's economic development, environmental protection and construction of harmonious society, which are crucial to our success on full services convergence offering.

Corporate Social Responsibility

As the largest fixed network operator in China, China Telecom Corporation Limited has made consistent efforts to provide the general public with convenient, uninterrupted and efficient telecommunication and information services. Facing the general public's increasing demand for widespread application of information technology, the Company, through the integration and innovation of its services and terminals, has expanded the channels for the public to obtain and exchange information. This process, while helping promote popularisation of information technology and improve living standards, has allowed the Company to achieve sustainable and healthy development.

In line with further strategic adjustment in economic structure and continuous acceleration of the process of popularisation of information technology in national economic activities in China, the Company, through its strategic transformation, has actively engaged in various mutual beneficial collaborations in the industry. This has resulted in a range of benefits, such combination and extension of the industry value chain, continuous expansion of areas for cooperation, improvement in operating efficiency in the whole industry, and creation and maintenance of a healthy and harmonious industrial environment, all of which has contributed to sustainable and healthy development of the industry and helped to achieve the Company's goal of serving the national economy and promoting social development.

The Company has established the "Information Services Alliance for Small and Medium Enterprises in China" in conjunction with eight other reputable corporations. The members of the alliance increased to 15 in 2006, and are expected to increase further as it is becoming more and more influential. The alliance provides a platform for companies to share their experiences and learn from each other. It also, through active cooperation with manufacturers in areas such as products, distribution channels and trainings, provides practical solutions to various issues and demands raised by enterprise customers relating to application of information technology, and in this way has promoted the popularisation of information technology.

CARE FOR RURAL AREAS

The Company has always attached great importance to the development of communications and information facilities in rural areas. In this regard, the Company has implemented a model information facility construction project called "Serving Thousands of Townships and Villages", under which, quality, efficient, convenient and sufficient information networks have been established, and thus have laid a solid foundation for the information technology popularization in rural areas.

Driven by a strong sense of social responsibility and in response to the requirements of development in a scientific way and establishment of a harmonious society, the Company has made consistent efforts to improve communications in rural areas by completing telephone connections to more than 3,000 villages in six provinces including Hubei, Yunnan, Shaanxi, Sichuan, Gansu and Qinghai. In this way, the Company has made its due contribution to the construction of China's rural areas and at the same time has promoted the Company's sustainable development.



China Telecom workers were constructing networks in rural village area

CARE FOR POVERTY ALLEVIATION

As a corporate member of the society, the Company is mindful of repaying the society through involvement in public welfare activities and other ways to fulfil its responsibilities to the society while pursuing its business development. In 2006, the Company continued its poverty alleviation aid activities in Yanyuan and Muli, Sichuan Province. By way of investment in local infrastructures, training of local people and other activities, the Company helped improve the living conditions (both materially and culturally) of local people. In light of the features of the Company and specific condition of such poor areas, the Company focused its poverty alleviation work on three aspects: education, medical health and information technology application, aiming at gradually improving local productivity and providing local people with practical benefits.

CARE FOR EDUCATION

In order to support education in China and allow equal education opportunity to the under-privileged, the Company has actively provided funding to many poor and disabled children who would otherwise not be able to go to school. It has participated in the construction of "Primary Schools of Hope" and helped improve the conditions of schools. The Company entered into an agreement with the New Great Wall Project sponsored by China Foundation for Poverty Alleviation, whereby, it provided annual subsidies to newly admitted disadvantaged college students in Yanyuan and Muli. 111 of such students received subsidies in 2006. Also in 2006, the Company and the China National Youth Palace Association jointly sponsored the "One-hour Campaign", encouraging parents to spend one hour a day communicating with children, participating in their activities and learning together with their children. The Company also subsidised the editing and publication of the "One-hour Booklet" for the purpose to enrich students' extracurricular activities.

CARE FOR MODEL EMPLOYEE

The Company attaches great importance to remarkable services and good attitude of model employees, and actively carries forward the merits of model worker. In 2006, the Company gave a donation to the All China Federation of Trade Unions in order to assist in the filming of "Model Workers in China", a TV documentary of 100 episodes, for the purpose of widely advocating remarkable deeds and merits of model employees and outstanding workers.

CARE FOR EMERGENCY COMMUNICATION

In Decembers 2006, a powerful earthquake off the coast of Taiwan in the South China Sea disconnected numerous international undersea fibre optic cables. International and regional communications between neighbouring countries and regions were severely affected. There was widespread disruption to international, Hong Kong, Macau and Taiwan communication lines as well as to internet connection. After the earthquake, the Company promptly activated the undersea cables emergency plan, urgently acquired or leased available network resources in the Asia-Pacific region, and made its best efforts to resume international, Hong Kong, Macau and Taiwan communications affected by the earthquake, so as to minimize losses to subscribers. In the summer of 2006, severe tropical storms "Chanchu", "Bilis" and "Kaemi" landed in China one after another, and caused disastrous rainstorms and flooding in southern provinces such as Fujian, Guangdong, Hunan, Guangxi and Jiangxi. Whereupon, the Company immediately took actions and measures to ensure smooth communications in these regions while dedicating itself to disaster relief activities. The Company restored various communication services to the general public in a timely manner and proactively provided other operators with emergency support. Through such activities, the Company fully performed its function as a major infrastructure operator and successfully fulfilled its social responsibility as a leading corporation.

Corporate Social Responsibility

CARE FOR ENVIRONMENT

The Company has paid great attention to maintaining a healthy environment for human beings. Its telecommunications projects are always constructed under the guideline and measures of environmental protection. When purchasing its telecommunications equipment, the Company carefully selects optic fibre cables and transmission systems that are noiseless and free from electromagnetic radiation and pollutants. When carrying out field surveys on communication routes, the Company always tries to avoid mines, forests, grasslands, wild animal habitats, natural heritage sites, human relic sites, nature reserves and famous scenic areas. When laying down optic fibre cables, the Company adopts directional drilling technique which allows cables to pass directly through any obstacle without affecting the surrounding environment.

In the future, adhering to the principle of serving the people, contributing to the society and enhancing the Company's comprehensive strength, the Company will continue to participate in public welfare activities, provide return to the society, and make its due contribution to the building of a more harmonious society.