



CHINA NETCOM GROUP CORPORATION (HONG KONG) LIMITED

中國網通集團（香港）有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 906)

ANNOUNCEMENT

SUMMARY

The Company was informed that Chinese Academy of Sciences Holdings Co., Ltd., Information and Network Center of State Administration of Radio, Film and Television, China Railways Telecommunications Center and Shanghai Alliance Investment Limited, which are the beneficial holders of an aggregate of about 2.22% outstanding ordinary shares of the Company, have respectively signed Share Purchase Agreements with Telefónica Internacional, S.A.. Pursuant to the Share Purchase Agreements, the four shareholders will transfer an aggregate of 148,015,436 shares of the Company they beneficially own to Telefónica Internacional, S.A. or its related entities at HK\$23.97 per share.

China Netcom Group Corporation (Hong Kong) Limited (the “Company”) was informed that Chinese Academy of Sciences Holdings Co., Ltd., Information and Network Center of State Administration of Radio, Film and Television, China Railways Telecommunications Center and Shanghai Alliance Investment Limited (the “four shareholders”) respectively signed Share Purchase Agreements with Telefónica Internacional S.A. on 18 January 2008. Pursuant to the Share Purchase Agreements, the four shareholders will transfer an aggregate of 148,015,436 shares of the Company they beneficially own to Telefónica Internacional, S.A. or its related entities at HK\$23.97 per share. The completion of the Share Purchase Agreements will be conditional on the approval of relevant governmental authorities in the People’s Republic of China. Upon completion of the Share Purchase Agreements, Telefónica Internacional S.A. and its associates will be interested in approximately 7.22% of the issued share capital of the Company.

The shares beneficially owned by the four shareholders and to be transferred are held in trust by China Netcom Group Corporation (BVI) Limited (“CNC BVI”), the immediate holding company of the Company with approximately 69.60% beneficial interest in the Company. The trust arrangements between each of the four shareholders and CNC BVI will lapse upon the completion of the share transfer.

By Order of the Board
CHINA NETCOM GROUP CORPORATION
(HONG KONG) LIMITED
Zhang Chunjiang
Chairman

Hong Kong, 18 January 2008

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zhang Chunjiang, Mr. Zuo Xunsheng, Ms. Li Jianguo, Mr. Zhang Xiaotie and Mr. Li Fushen as executive directors, Mr. Yan Yixun, Mr. Cesareo Alierta Izuel and Mr. José María Álvarez-Pallete as non-executive directors and Mr. John Lawson Thornton, Mr. Victor Cha Mou Zing, Dr. Qian Yingyi, Mr. Hou Ziqiang and Mr. Timpson Chung Shui Ming as independent non-executive directors.