

[For Immediate Release]



**China Netcom Shareholders Approve Acquisition of
Telecommunication Business**

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Set to Expand Business in Northern China

(Hong Kong, 25 October 2005) – China Netcom Group Corporation (Hong Kong) Limited (“China Netcom” or “the Company”) (HKSE: 0906; NYSE: CN), a leading telecommunications company in China and the Asia-Pacific region, announced that its shareholders have passed the resolutions to a conditional sale and purchase agreement wherein the Company will acquire telecommunication businesses in northern China at the Extraordinary General Meeting of the Company held today.

Under the agreement, the Company will acquire from China Netcom Group Corporation (BVI) Limited (“CNC BVI”) its telecommunication businesses (“Target Company”) in Heilongjiang Province, Jilin Province, Neimenggu Autonomous Region and Shanxi Province at a purchase price of RMB12,800 million. The amount will comprise an initial consideration of RMB3,000 million payable in cash to CNC BVI and a deferred consideration of RMB9,800 million payable within five years after completion of the acquisition.

Commenting on the benefits of the acquisition, Chairman of China Netcom, Mr. Zhang Chunjiang, said, “The acquisition is a major step towards our business integration. This acquisition will further expand our geographical coverage, brace us for further growth, and enable us to realize economies of scale and reach greater operational and management efficiency.

“We expect the combined entity to better serve its large and medium corporate customers, especially those with cross-regional business operations. Customers can also expect to see improved services quality and capabilities resulting from shared knowledge and best practices across the combined service regions. Marketing strategies will also be integrated and sales channels are expanded to better meet customers’ evolving needs.”

The Target Company is the dominant provider of fixed-line telephone services, broadband and other internet-related services, and business and data communications

services in its regions. After excluding upfront connection fees, its revenues amounted to RMB17,648 million and RMB9,315 million respectively for 2004 and the first half of 2005 and operating profit was RMB1,135 million and RMB1,882 million respectively. As of 30 June 2005, the Target Company had a total of approximately 28.86 million fixed-line subscribers and approximately 2.78 million broadband subscribers, representing approximately 90.2% market share of fixed-line telephone services and approximately 90.7% market share of broadband services in its service regions.

The Company expects to complete the Acquisition on 31 October 2005.

About China Netcom:

China Netcom Group Corporation (Hong Kong) Limited (“China Netcom”) is a leading fixed-line telecommunications operator in China and a leading international data communications operator in the Asia-Pacific region. Its northern service region in China consists of the Beijing Municipality, Tianjin Municipality, Hebei Province, Henan Province, Shandong Province and Liaoning Province. Its southern service region in China consists of the Shanghai Municipality and Guangdong Province. China Netcom is the dominant provider of fixed-line telephone services, broadband and other Internet-related services, and business and data communications services in its northern China. China Netcom primarily targets business and residential customers in selected high-density areas in southern China. China Netcom is also the only telecommunications company in China that operates an extensive network and offers international data services in the Asia-Pacific region.

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