



[For immediate release]

## **China Unicom and China Netcom Shareholders Approve Proposed Merger**

**Hong Kong, 17 September 2008**, China Unicom Limited ("China Unicom") (HKSE: 0762, NYSE: CHU), one of China's leading mobile telecommunications companies, and China Netcom Group Corporation (Hong Kong) Limited ("China Netcom") (HKSE: 0906, NYSE: CN), a leading broadband and fixed-line telecommunications operator in China, jointly announced today that the proposed merger of the two telecommunications companies has been approved by their respective shareholders. The proposed merger will create a leading fully integrated telecommunications service provider in China.

Shareholders of China Unicom and China Netcom voted in favour of the proposed merger at shareholders' meetings held on 16 September 2008 and today, respectively.

It is expected that, subject to the satisfaction of the other conditions of the proposed merger, the proposed merger will become effective on 15 October 2008. Thereafter, China Netcom will become a wholly-owned subsidiary of China Unicom and the listings of its shares on the Hong Kong Stock Exchange and its American Depositary Shares on the New York Stock Exchange will be withdrawn. China Unicom's company name will also be changed to "China Unicom (Hong Kong) Limited 中國聯合網絡通信（香港）股份有限公司". Mr. Chang Xiaobing, the current Chairman and Chief Executive Officer of China Unicom, will be the Chairman and CEO of the merged group.

Mr. Chang Xiaobing, the Chairman and CEO of China Unicom said: "We are pleased that shareholders support the proposed merger between China Unicom and China Netcom. I believe that the transaction will enable the merged group to become a world-class provider of broadband communications and information services, to offer better products and services to our customers and create greater value for shareholders."



Going forward, China's economy is continuing to grow and the telecommunications industry possesses huge market potential, presenting a solid foundation for the merged group's development. In particular, broadband services and the 3G business will be the key growth drivers of the merged group. Based on the new market landscape and regulatory environment, we will achieve rapid integration and fully realize the synergies of combining the strengths of the two companies. With the continuing efforts of all staff, we will deliver sustainable growth to best satisfy the various needs of our increasingly diverse market, whilst creating greater return on investment.

Mr. Zuo Xunsheng, the Chairman and CEO of China Netcom said: "The shareholders' votes in favour of the proposed merger between China Unicom and China Netcom have shown that shareholders believe the merger will enhance the competitive strengths and expand the prospects of the two companies such that they will be better positioned to seize the opportunities presented by the upgrade of China's telecom sector, by providing integrated telecom services and by consolidating resources. This will help to bring better returns for shareholders."

The two companies have established a joint working group to lead the integration of China Unicom and China Netcom and ensure efficient execution of the business strategies of the merged group. The majority of the integration work is expected to be completed one year after the merger becoming effective.

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*China Unicom and China Netcom would like to caution readers about the forward-looking nature of some of the statements in this press release. These forward-looking statements are subject to various risks and uncertainties, including future changes in our competitive and regulatory environment, future growth rates of the Chinese economy and its telecommunications industry, changes in telecommunications-related technologies and applications and other factors that will affect the execution of our business plans and strategies.*



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You can also learn more about the transactions of China Unicom and China Netcom at the following links:

[http://www.chinaunicom.com.hk/pmt/pmt\\_en.htm](http://www.chinaunicom.com.hk/pmt/pmt_en.htm)

<http://www.china-netcom.com/eng/ir/merger.htm>

**About China Unicom Limited**

China Unicom was listed on the New York Stock Exchange and the Stock Exchange of Hong Kong on 21 June 2000 and 22 June 2000 respectively. On 1 June 2001, the Company was included as a constituent stock of the Hang Seng Index.

At present, the Company is engaged in the wireless telecommunications business (both GSM and CDMA) in 31 provinces, municipalities and autonomous regions in China through China Unicom Corporation Limited, the provision of international and domestic long distance calls, data and Internet services, and other related telecommunication value-added businesses.

For the first six months ended 30 June 2008, Unicom's total assets were RMB146.50 billion, net assets were RMB99.14 billion, total revenue from continuing operations was RMB35.14 billion and profit before tax from continuing operations was RMB5.13



billion. As of 30 June 2008, the Company had 127.60 million GSM subscribers and 43.17 million CDMA subscribers.

**About China Netcom Group Corporation (Hong Kong) Limited**

China Netcom Group Corporation (Hong Kong) Limited is a leading broadband and fixed-line communications operator in China. Its service region consists of Beijing Municipality, Tianjin Municipality, Hebei Province, Henan Province, Shandong Province, Liaoning Province, Heilongjiang Province, Jilin Province, Inner Mongolia Autonomous Region and Shanxi Province. The Company provides fixed-line voice, value-added services, broadband and other internet-related services, information and communications technology (ICT), business & data communications services and advertising and media services.