

2005 Major Milestones

January 21, China Netcom Group, our parent company, and China Mobile Communications Corporation established SMS interconnection between mobile and PHS networks, which promoted rapid growth in our value-added services.

March 10, China Netcom Group continued rank first in the 2004 telecommunications industry customer satisfaction survey conducted by the Ministry of Information Industry.

March 31, China Netcom Group officially launched “CNC MAX” – a new brand for broadband services.



May 16, China Netcom Group and China Telecommunications Corporation (“China Telecom”) held a joint press conference in Beijing on the launch of PHS handsets with detachable SIM cards, which was expected to promote the development of value-added services, marketing channels and service qualities of the PHS business.

May 17, the Company and its partner jointly launched IPTV services in Heilongjiang Province.

June 15, the Company launched “CNC Connected — 2005 Nationwide Roadshow on Solutions for Business Customers”, a 2-month campaign intended to provide “premium business solutions” for SMEs.

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June 22, the Company’s Beijing branch signed a “Comprehensive Cooperation Agreement on Olympics Communications Construction” with the National Olympic Sports Center to formally launch the telecommunications project for Beijing 2008 Olympics in Beijing.

July 21, the Company and Telefónica, S.A. entered into a Memorandum of Understanding on Cooperation with the aim of seeking cooperation in various areas.

July 26, China Netcom Group and China Telecom signed an agreement on nationwide IC card roaming, to stimulate the usage of the Company’s IC cards.

September 12, the Company signed an acquisition agreement with China Netcom Group to acquire its telecommunication assets and businesses in the provinces and regions of Heilongjiang, Jilin, Neimenggu and Shanxi. The acquisition was approved at an Extraordinary General Meeting held on October 25. Through this acquisition, we will further consolidate our dominance in the northern service region market.

November 10, China Netcom Group signed a strategic cooperation agreement with Bank of China, to cooperate in terms of resources and information sharing, new product development etc..





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November 14, the Company and Telefónica Internacional S.A. signed a strategic alliance agreement, pursuant to which Telefónica Internacional S.A. seeks to increase its shareholding in the Company and discuss strategic cooperation with the Company in a broad range of fields.

December 4, a live charity programme titled “My Dream – In Commemoration of International Day of Disabled Persons” was successfully broadcasted online to more than 60 countries and regions of the world via the “CNC MAX” platform. This was the largest live broadband broadcast in China’s Internet history and marked a milestone in the development of broadband value-added services and live webcast.

December 7, China Netcom Group was granted a nationwide Internet Cultural Operating Permit by the Ministry of Culture and intended to expand its chain of cyber café.

December 22, China Netcom Group received an award for “Best Internet Access Service” in “China Top 50 Internet Brands” ratings.

