



## 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

The Company is in discussions with the parent company in relation to the disposal of fixed-line telecommunications assets and operations in Guangdong Province and Shanghai Municipality in the PRC to the parent company. No definitive agreement in relation to the transaction has been entered into and the transaction may or may not proceed. In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.

China Netcom Group Corporation (Hong Kong) Limited (the “**Company**”) announces that the Company is in discussions with China Network Communications Group Corporation (“**China Netcom Group**”), the parent company of the Company, in relation to the disposal of fixed-line telecommunications assets and operations in Guangdong Province and Shanghai Municipality in the People’s Republic of China (“**PRC**”) to China Netcom Group. No definitive agreement in relation to the disposal transaction has been entered into and the transaction may or may not proceed. The disposal transaction, if proceeds, is likely to constitute a discloseable transaction and a connected transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and would be subject to conditions, including the receipt of PRC regulatory approval and approval of the independent shareholders of the Company.

Further announcement will be made by the Company when definitive agreement in relation to the disposal transaction is entered into.

**In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.**

By Order of the Board

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

**Zhang Chunjiang**

*Chairman*

Hong Kong, 8 January 2007

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zhang Chunjiang, Mr. Zuo Xunsheng, Mr. Zhang Xiaotie and Mr. Miao Jianhua as executive directors, Dr. Tian Suning, Ms. Li Liming, Mr. José María Álvarez-Pallete, Mr. Yan Yixun and Mr. Mauricio Sartorius 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.*

Please also refer to the published version of this announcement in South China Morning Post.