



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

China Netcom (Group) Company Limited, a wholly owned subsidiary of China Netcom Group Corporation (Hong Kong) Limited (the “Company”), will launch the issue of corporate bonds of an aggregate principal amount of RMB2 billion with a coupon rate of 4.50%.

China Netcom (Group) Company Limited, a wholly owned subsidiary of the Company, obtained approval on 6 June 2007 from the relevant authorities of the People’s Republic of China for the issue of corporate bonds of an aggregate principal amount of RMB2 billion (the “Corporate Bonds”).

On 8 June 2007, China Netcom (Group) Company Limited will launch the issue of the Corporate Bonds for the year 2007. The issue will be completed on 14 June 2007. The principal terms of the Corporate Bonds are as follows:

- | | |
|---------------------------------------|--|
| Maturity period: | 10 years |
| Aggregate principal amount: | RMB 2 billion |
| Coupon rate: | The coupon rate will be 4.50%, and will remain unchanged during the term of the Corporate Bonds. |
| Interest calculation date: | Interest will accrue from 8 June 2007, being the first day of issue of the Corporate Bonds. Interest will accrue from 8 June of each year during the term of the Corporate Bonds for the purpose of calculating the interest payable in such year. |
| Payment of interest and principal: | Interest will be payable annually, and principal will be repaid upon maturity together with the interest payable for the last period. |
| Guarantee: | The Corporate Bonds will be wholly and irrevocably guaranteed by Bank of China Limited. |
| Credit rating of the Corporate Bonds: | According to the integrated evaluation of China Chengxin International Credit Rating Co., Ltd., the credit rating of the issuer is AAA and the credit rating of the Corporate Bonds is AAA. |

The documents related to the issue of the Corporate Bonds have been published on the website of the National Development and Reform Commission and Chinabond.com.cn at www.sdpc.gov.cn and www.chinabond.com.cn, respectively.

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

Hong Kong, 7 June 2007

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