



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

Change of Directors and Alternate Director

The board of directors (the “**Board**”) of China Netcom Group Corporation (Hong Kong) Limited (the “**Company**”) announces that Mr. Mauricio Sartorius has resigned from his position as a non-executive director of the Board of the Company with effect from 5 December 2007. Ms. Hong Chen Jin ceased to be the alternate director to Mr. Mauricio Sartorius upon the resignation of Mr. Mauricio Sartorius as a non-executive director of the Company on 5 December 2007. The resignation of Mr. Mauricio Sartorius is due to the heavy workload of his new assignment at the headquarters of Telefónica S.A. at Madrid. Mr. Mauricio Sartorius has confirmed that there is no disagreement with the Board and that there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board is pleased to announce that Mr. Cesareo Alierta Izuel has been appointed as a non-executive director of the Company with effect from 5 December 2007. Ms. Hong Chen Jin, who is nominated by Mr. Cesareo Alierta Izuel, has been appointed as alternate director to Mr. Cesareo Alierta Izuel with effect from 5 December 2007. Ms. Hong Chen Jin is also the alternate director to Mr. José María Álvarez-Pallete, a non-executive director of the Company.

Mr. Cesareo Alierta Izuel, 62, has been the director of Telefónica S.A. (listed on various stock exchanges including Madrid, New York and London) as from January 1997 and has become the Chairman of Telefónica S.A. since July 2000. He is a member of the Board of Directors and Executive Committee of Altadis S.A. (listed on the stock exchanges of Madrid and Paris). Mr. Cesareo Alierta Izuel is also a member of the Colombia Business School Board of Overseers. Since January 2006, he has been a member of the Board of Directors of Telefónica O2 Europe, Plc. Mr. Cesareo Alierta Izuel is also a director of Telecom Italia (listed on the stock exchange of Milan). Between 1970 and 1985, he has been the General Manager of the Capital Markets division at Banco Urquijo in Madrid. He has been the Chairman and

founder of Beta Capital. As from 1991, he has also acted as the Chairman of the Spanish Financial Analysts' Association. He has also been a member of the Board of Directors and the Standing Committee of the Madrid Stock Exchange. Between 1996 and 2000, he has held the post of Chairman of Tabacalera, S.A., and subsequently Altadis S.A., following the merger of Tabacalera, S.A. with the French Group, Seita. Mr. Cesareo Alierta Izuel holds a degree in law from the University of Zaragoza and a master degree of business administration from the University of Columbia.

Mr. Cesareo Alierta Izuel does not have any service contract with the Company and he will be subject to retirement by rotation and re-election at annual general meetings of the Company at least every three years. Mr. Cesareo Alierta Izuel is entitled to an annual director's fee of HK\$200,000 as proposed by the Board and approved by the shareholders of the Company at the extraordinary general meeting held on 14 February 2007. Director's fees are payable on a time pro-rata basis for any non full year's service. He will also be entitled to an additional fee of HK\$10,000 for each Board meeting which he attends. His remuneration has been determined with reference to his duties, responsibilities and experience, and to prevailing market conditions. As at the date hereof, Mr. Cesareo Alierta Izuel does not have any interest in the Company's shares within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Hong Chen Jin, alias Margaret Chen, 45, Alternate Director to Mr. José María Álvarez-Pallete since December 2006 and Alternate Director to Mr. Mauricio Sartorius from December 2006 to December 2007. Ms. Hong Chen Jin began her career in China as faculty member of the Management School of Shanghai Jiaotong University. She has worked in the United States of America for seven years. Among others, she worked as a Vice President of research and development in ACS, a software development company. Prior to joining Telefónica as a telecom senior consultant in 1995, she was a partner of INDETEL, a telecom consulting company in Spain. During the ten years in Telefónica Group prior to her Asia assignment, she has profound operational experience in fixed-line and mobile business including IT strategy, marketing and sales. In 2005, she was assigned as Director, Asia, Telefónica Internacional S.A. At the beginning of 2007, Ms. Hong Chen Jin was awarded as one of the most influential women in telecommunications industry in China for the year of 2006 by the Ministry of Information Industry of China. Ms. Hong Chen Jin has been a director of China Netcom Group Broadband Service Applications Limited Corporation For National Engineering Laboratory as from August 2007. Ms. Hong Chen Jin holds a bachelor's degree in computer science of Shanghai Jiaotong University and a master's degree of business administration, and a master's degree in Industrial Engineering in the United States of America. As at the date hereof, Ms. Hong Chen Jin does not have any interest in the Company's shares within the meaning of Part XV of the Securities and Futures Ordinance.

Except as noted above, each of Mr. Cesareo Alierta Izuel and Ms. Hong Chen Jin is not connected with any directors, senior management or substantial or controlling shareholders of the Company and each of them does not hold any other position with the Company or any of its subsidiaries and has not held any other directorships in any listed public companies in the last three years. Save as disclosed above, there is no other information required to be disclosed in relation to the appointment of Mr. Cesareo Alierta Izuel and Ms. Hong Chen Jin pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and there are no other matters relating to the appointment of Mr. Cesareo Alierta Izuel and Ms. Hong Chen Jin that need to be brought to the attention of the shareholders of the Company.

The Company believes that Mr. Cesareo Alierta Izuel's extensive management experience in the telecommunications industry will be of great benefit to the Company. The appointment of Mr. Cesareo Alierta Izuel will also enhance the co-operation between the Company and Telefónica Group. The Company takes this opportunity to welcome Mr. Cesareo Alierta Izuel as a member of the Board and Ms. Hong Chen Jin as alternate director to Mr. Cesareo Alierta Izuel.

The Board takes this opportunity to acknowledge the contributions of Mr. Mauricio Sartorius during his office as non-executive director of the Company with the highest regard.

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

Hong Kong, 5 December 2007

As at the date of this announcement, the Board of the Company comprises Mr. Zhang Chunjiang, Mr. Zuo Xunsheng, Ms. Li Jianguo, Mr. Zhang Xiaotie and Mr. Li Fushen as executive directors, Mr. Yan Yixun, Mr. Cesareo Alierta Izuel and Mr. José María Álvarez-Pallete 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.