



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 FURTHER SUSPENSION

The Board of Directors (the “**Board**”) of China Netcom Group Corporation (Hong Kong) Limited (the “**Company**”) refers to the Announcement on Deepening the Reform of the Structure of the Telecommunications Sector dated 24 May 2008 (the “**Announcement**”) jointly issued by the Ministry of Industry and Information, the National Development and Reform Commission and the Ministry of Finance of the People’s Republic of China (the “**PRC**”). The Announcement states that the PRC government will deepen the reform of the structure of the telecommunications sector, encourage the formation of three market competitors where each has nationwide network resources, relatively comparable strength and scale as well as comprehensive business operation capabilities, and the allocation of telecommunications resources will be further optimised and the competition structure will be improved. In order to achieve the goals of the reform stated above, the acquisition of the CDMA network (including assets and subscribers) of China Unicom by China Telecom and the merger between China Unicom and China Netcom (the “**Telecom Reform and Restructuring**”) are encouraged. If the Telecom Reform and Restructuring involves issues such as corporate restructuring, transfer of network assets, merger of listed companies, its implementation shall follow international practice and comply with the rules of practice in the domestic and overseas capital markets. The Telecom Reform and Restructuring will be associated with the grant of 3G licences and three 3G licences will be granted once the restructuring is completed.

In response to the Announcement, the Company is currently in discussions on a merger with China Unicom Limited (the “**Material Transaction**”). The carrying out of such transaction will depend upon whether the parties can reach agreement on the terms. There is no assurance that such transaction will materialise or eventually be consummated. **Shareholders and potential investors are therefore reminded to exercise caution when dealing in the shares of the Company.**

The Company has not authorised, and the Company is not aware of anyone having authorised, any person to release any information concerning this announcement. The Company will not comment on, and it has also not authorised any person to comment on, any market speculation relating to the Company, the information contained in this announcement or the Material Transaction.

Shareholders and potential investors are strongly cautioned not to place any reliance on any information contained in press articles or other media regarding the Company or the Material Transaction and should only rely on the formal announcements made by the Company.

The Company has requested that trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) be continued to be suspended, pending the Company’s further announcement relating to the Material Transactions. The Company will also request the trading of the American Depositary Shares, representing shares of the Company, on the New York Stock Exchange, Inc. be continued to be suspended, pending (1) the Company’s further announcement relating to the Material Transaction and (2) the resumption of trading in the shares of the Company on the Hong Kong Stock Exchange.

By Order of the Board
China Netcom Group Corporation (Hong Kong) Limited
Huo Haifeng Mok Kam Wan
Joint Company Secretaries

Hong Kong, 25 May 2008

As at the date of this announcement, the board of directors of the Company comprises Mr. Zuo Xunsheng, Ms. Li Jianguo 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, Dr. Qian Yingyi, Mr. Hou Ziqiang and Mr. Timpson Chung Shui Ming as independent non-executive directors.