

**Possible merger of China Unicom Limited (Unicom) and China Netcom Group Corporation (Hong Kong) Limited (Netcom)
by way of a scheme of arrangement**

Disclosure of dealings in the relevant securities of Netcom

The Executive received the following disclosure of securities dealings pursuant to Rule 22 of the Hong Kong Code on Takeovers and Mergers:

| Party | Date | Bought / Sold | No. of Shares | Unit Price (HK\$) | Resultant balance and percentage of class |
|----------------------------------|-------------------|----------------------|----------------------|------------------------------|--|
| Telefonica International S.A. | 23 September 2008 | Bought | 148,015,436 | 23.378 | 660,708,523 (9.86%) |

Notes

1. Telefonica International S.A. is an associate because it owns more than 5% issued share capital of Netcom and is therefore an associate of Netcom by virtue of class (6) of the definition of associate.