

**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	Description of relevant securities	Bought / Sold	No. of securities	Unit Price (US\$)	Resultant balance and percentage of class
Telefonica International, S.A.U.	9 September 2008	ADR Shares	Buy	125,600	59.8996	125,600 (1.77%)

Notes

1. Telefonica International, S.A.U. is an associate because it controls 5% or more of the issued shares of Netcom.