January

January 6, Jointly with our partners, China Netcom Group, the Company's ultimate controlling shareholder established the National Lab of NGN In Broadband Application. This is one of the three national labs approved by the National Development and Reform Commission.



February

February 23, East Asia Cable (EAC) established connection to the international submarine cable landing station of Qingdao, which now serves as a sole landing station to connect northern China with international cable lines.



March

March 6, the Company formally became a constituent stock of Hong Kong's Hang Seng Index.

March 21, China Netcom Group signed a Memorandum of Understanding (MoU) on International Satellite TV Transmission for Beijing 2008 Olympic Games with Russian Satellite Communications Company.

March 29, China Netcom Group Broadband Online Limited Corporation was incorporated as a subsidiary of the Company, dedicating to broadband content and applications.



April

April 25, China Netcom Group and Visa International Service Association signed a strategic cooperation agreement for the full-range cooperation in branding, marketing and technologies to jointly serve the 2008 Olympic Games.

April 29, a video-conferencing system built by China Netcom (Group) Company Limited ("CNC China") for National People's Congress was put into service during the 21st Session of the Standing Committee of the Tenth National People's Congress meeting.



April 30, China Netcom Group System Integration Limited Corporation was incorporated as a subsidiary of the Company, to provide integrated information and communications technology services to corporate customers.



2006 Major Milestones

May

May 1, the Company did spot-marketing of "Family 1+" business at Baoding, Handan and Qinghuangdao in Hebei Province, Jinan in Shandong Province and Yangguan in Shanxi Province.

May 11, the Company signed a MoU with the European Communication Satellite Company and formally commenced the cooperation on international satellite transmission for the 2008 Olympic Games.

May 20, "CNC MAX" was successfully broadcasted online "My Broaden World, New Stage for Super Gril"

May 26, the Company launched "Economical Phone" business in trial run in Shanxi Province.

May 26, "CNC MAX" was formally on board as China's first all-video portal website, which can provide large stream and high resolution video services.

June

June 9, the Company signed a MoU on international communications service with Chunghwa Telecom for the 2008 Olympic Games.

June 21, the Company signed a MoU on strategic cooperation and communications with British Telecom for the 2008 Olympic Games.

July

In July, the Company was allowed to provide IPTV services in 5 cities — Shenyang, Dalian and Panjin in Liaoning Province and Heihe and Mudanjiang in Heilongjiang Province.

 $\label{lem:subsidiary} \textit{July 20, CNC China, a subsidiary of the Company successfully issued RMB10 billion short term commercial papers.}$

August

August 9, China Netcom Group signed a cooperation agreement on broadcast television service with Beijing Olympic Broadcasting Company (BOB) for the 2008 Olympic Games. Pursuant to the agreement, China Netcom Group will be responsible for the transmission of public broadcast television signals from all Olympic venues in Beijing and other Olympic cities to the international broadcast center.

August 22, the Company completed the disposal of Asia Netcom Corporation Limited ("Asia Netcom"), one of our wholly-owned subsidiaries.

In August, the IPTV-based information on services for rural areas in Henan Province was recognised and promoted by the National Reform and Development Commission.



2006 Major Milestones

September

September 10, the Company officially launched its WAP portal for PHS.

November

November 1, the Company formally launched "Phone Navigation" business to the public.

November 1, "CNC MAX" started to broadcast online NBA games lively.

November 28, China Netcom Group Broadband Online Limited Corporation and Google entered into an agreement regarding the web search service, click advertisements and the advertisement via Adsense for content.

December

December 18, China Netcom Group, together with other operators, signed an agreement on Trans-Pacific Express, the first TB-level submarine fiber cable system connecting China with the United States. Upon completion of this project, sufficient trans-pacific capacity will be provided to meet the growing demand for the Internet, data and voice services between Asia-Pacific and the United States. Simultaneously, the network delay in Asia region and the hotspots between the United States and Asia will be reduced.



