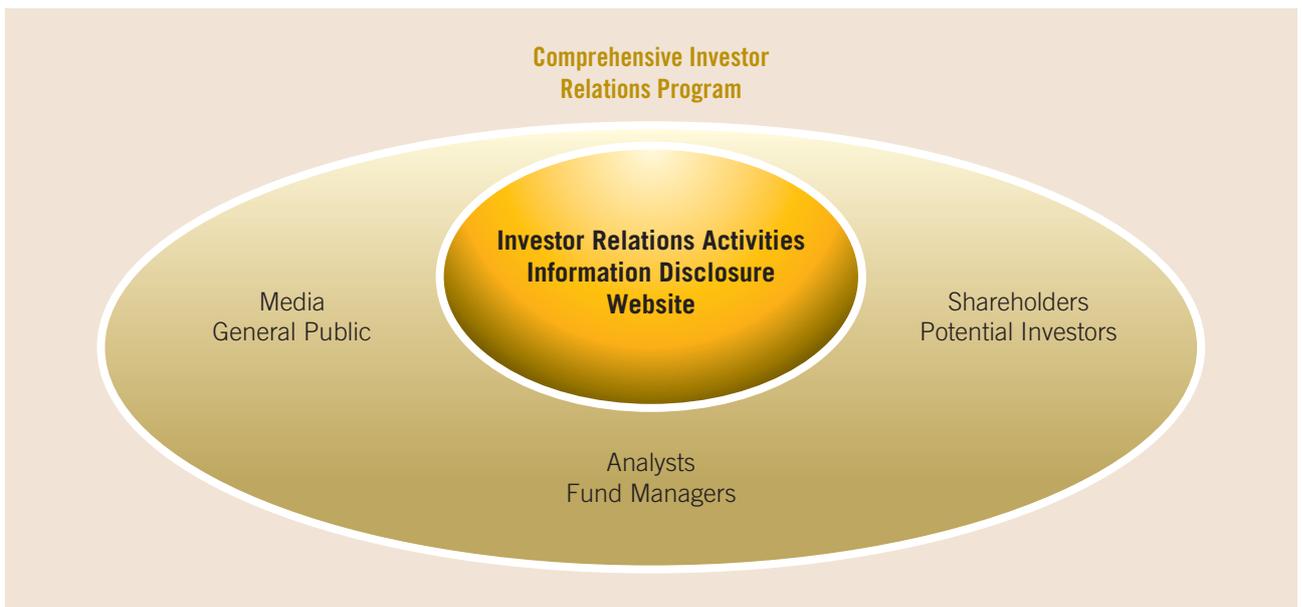


Investor Relations

Overview

The Group always attaches great importance to investor relations and maintains a proactive and interactive communication with capital markets. The Group has followed a principle of good faith, timely, fair and accurate information disclosure and believes that it will promote a positive interaction between the Company and its investors and enhance investors' understanding on the Group. At the same time, this principle will enable us to understand the views and expectations of capital markets regarding the developments of the Company, which will help us to enhance shareholders' value and maximize our shareholders' interests.



Review

(1) Investor Relations Activities

The Group maintains close contact with capital markets and social public and communicates with various types of investors and media through different channels. We participated actively in investor forums and roadshows, held press conferences in connection with results announcement and established timely and effective communication channels.

In 2009, the Group held presentation meetings and press conferences in connection with the announcements of its annual and interim results. We also participated various types of investor forums on 5 occasions. In order to facilitate our communications with general investors, the Group had specifically set up different kinds of communication channels, such as investor relations electronic mailbox and telephone hotline, thereby responding to investor inquiries timely. To ensure that all parties can obtain company information fairly and impartially, all of the Group's responses to investor inquiries, including the communications between the Company and the analysts, were confined to the general discussion on interpretations of materials previously published and non-price sensitive information. At the same time, in 2009, the Company had specifically arranged and organized site visits to our major businesses for investors and analysts, so as to enable the market to have a further in-depth understanding of our actual operating conditions.

The major investor relations activities of the Company in 2009:

Activities period	Respective activities	Venue
1/2009	UBS Greater China Conference 2009	Shanghai
4/2009	2008 Annual Results Announcement ~ Analysts Briefing ~ Press Conference Non-deal Roadshow	Hong Kong Hong Kong
6/2009	2008 Annual General Meeting Goldman Sachs Telco & Internet Corporate Day 2009	Beijing Hong Kong
7/2009	The First Extraordinary General Meeting in 2009	Beijing
9/2009	2009 Interim Results Announcement ~ Analysts Briefing ~ Press Conference CLSA Investors Forum 2009	Hong Kong Hong Kong
10/2009	Citi Greater China Investor Conference 2009	Beijing
11/2009	Goldman Sachs China Investment Frontier Conference 2009	Beijing
12/2009	The Second Extraordinary General Meeting in 2009	Beijing

(2) Information Disclosure

Information disclosure is not only the ongoing responsibility and obligation of the Group under applicable regulatory requirements for the protection of investor interests. The Company also believes that timely, fair and accurate information of disclosure can enhance the transparency of the Company and facilitates the capital market's understanding of the Group, which in turn will help to establish smooth communication channels.

In 2009, the Group published over 18 corporate communications such as announcements and circulars. Such publications have objectively and comprehensively disclosed information regarding our results, financial information, dividends payment, operating conditions, connected transactions, change of session of directors and supervisors, poll results of shareholder meetings and certain other voluntary disclosures. In our annual report, the Company analyzed comprehensively the operating and financial position of the Company as well as those major factors affecting the business to help investors understand fully the business and development trend of the Company.

In 2009, the Group published the following information on the websites of the Stock Exchange and the Company pursuant to the Listing Rules:

Publishing date	Respective matters
13/3/2009	Announcement relating to the date of the board meeting to approve the 2008 annual results
25/3/2009	Announcement relating to the completion of equity transfer arrangements
2/4/2009	Announcement of annual results for the year ended 31 December 2008
23/4/2009	2008 annual report
23/4/2009	Notice of the annual general meeting to be held on 9 June 2009, reply slip and proxy form
23/4/2009	Announcement relating to the withholding and payment of enterprise income tax for overseas non-resident enterprises in respect of the proposed distribution of 2008 final dividends
26/5/2009	Announcement relating to the connected transactions in relation to the acquisition of equity interests in Shanghai Tongmao Import & Export Co., Ltd., Shenzhen Telecom Engineering Co. Limited and Guoxin Lucent Technologies Network Technologies Co., Ltd.
9/6/2009	Announcement relating to poll results of annual general meeting held on 9 June 2009 and payment of final dividends
16/6/2009	Circular relating to the re-election of directors and supervisors and amendment to Articles of Association
16/6/2009	Notice of extraordinary general meeting to be held on 31 July 2009, reply slip and proxy form
31/7/2009	Announcement relating to poll results of extraordinary general meeting held on 31 July 2009
21/8/2009	Announcement relating to the date of board meeting to approve the 2009 interim results
1/9/2009	Announcement of interim results for the six months ended 30 June 2009
14/9/2009	2009 interim report
29/10/2009	Announcement relating to the continuing connected transactions in relation to the supplies procurement services framework agreement and 2009 supplemental strategic agreement
12/11/2009	Circular relating to the continuing connected transactions in relation to the supplies procurement service framework agreement and 2009 supplemental strategic agreement
12/11/2009	Notice of extraordinary general meeting to be held on 29 December 2009, reply slip and proxy form
29/12/2009	Announcement relating to the poll results of extraordinary general meeting held on 29 December 2009

* The aforesaid publications exclude the monthly return of equity issuer on movements in securities.

Recognition in Capital Markets

Since our listing to date, there are increasing numbers of analysts and institutional investors following our Company. There are many Hong Kong and international research institutions regularly publishing research reports covering the Company. The Company's investment value is highly recognized and as at 31 December 2009, most of the major financial institutions have maintained a "Buy" or "Outperform" investment rating on the Company.

In addition, with years of management experience and our efforts in corporate governance, the Company was awarded many international awards during the year, including the International ARC, Galaxy Awards, ranked as one of "China's Most Promising Companies 2009" and awarded "Titanium Award – Corporate Governance & Investor Relations" by the Asset. These awards clearly showed our overall recognition by capital markets in respect of the quality and content of the information disclosed by the Company and demonstrated fully the Company's high standards in corporate governance and good investor relations.

Major awards of the Group in 2009:

"2009 International ARC Awards"

- "Annual Report Printing and Production – Communication Services" – Gold Award
- "Overall Annual Report – IT Services & Solution" – Bronze Award

"2009 International Galaxy Awards"

- "Design: Covers- Annual Reports" – Gold Award
- "Annual Reports: Telecommunications" – Honors Award

"The Asset China's Most Promising Companies 2009"

- "Telecom Industry Category" – Ranked Third

"The Asset Triple A Awards 2009 – Corporate Award"

- "Corporate Governance and Investor Relations" – Titanium Award



The Company's H shares were listed at the Stock Exchange on 8 December 2006 following a global offering at an offer price of HK\$ 2.2 per share, and were included in the constituent stock list of MSCI China Index in 2007. Since its listing to 31 December 2009, the share price of the Company had increased by 74%. On 31 December 2009, the total number of shares of the Company were 5,771,682,000, of which, 3,778,831,800 shares were domestic shares, and 1,992,850,200 were H shares, both with par value of RMB1.00 each. All the H shares of the Company are listed at the Stock Exchange, representing approximately 34.5% of the total issued shares of the Company. Based on the closing price as at 31 December 2009, the Company's market value was about HK\$ 22 billion.

Share price performance in 2009

	Highest	Lowest	Closing
Share price per H Share of the Company (HK\$)	5.45	3.67	3.82

