

China Netcom Group CORP (Hong Kong) LTD

Form SC 13D/A

September 22, 2008

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D/A

(Rule 13d-101)

(Information to be Included in Statements Filed Pursuant to

§ 240.13d-1(a) and Amendments Thereto Filed

Pursuant to § 240.13d-2(a))

Under the Securities Exchange Act of 1934

(Amendment No. 1)

China Netcom Group Corporation (Hong Kong) Limited

(Name of Issuer)

Ordinary shares of par value US\$0.04 per share

(Title of Class of Securities)

Y1505N 10 0

(CUSIP Number)

Karen Mok

75th Floor, The Center

99 Queen s Road Central

Hong Kong

Telephone: (+852) 2121 3220

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

September 12, 2008

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

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CUSIP No. Y1505N 10 0

13D

1 NAME OF REPORTING PERSON
TELEFÓNICA, S.A.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) ☐ p
(b) ☐ o

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)
☐ o

6 CITIZENSHIP OR PLACE OF ORGANIZATION
THE KINGDOM OF SPAIN

7 SOLE VOTING POWER

NUMBER OF None

SHARES SHARED VOTING POWER
BENEFICIALLY **8**
OWNED BY 663,220,523 ¹

EACH SOLE DISPOSITIVE POWER
REPORTING **9**

PERSON None

WITH SHARED DISPOSITIVE POWER

10

663,220,523 ¹

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

663,220,523 ¹

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

12

☐

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.9%

TYPE OF REPORTING PERSON

14

CO

¹ Includes:
 (a) 196,882,473
 ordinary shares
 acquired from
 CNC Fund, L.P.
 in June 2005;
 (b) 137,088,832
 ordinary shares
 acquired through
 open market
 purchases of
 (i) 132,794,816
 ordinary shares
 from July to
 September 2005,
 (ii) 2,092,016
 ordinary shares
 in
 December 2006,
 and (iii)
 2,202,000
 ordinary shares
 in

December 2007;
(c) 181,233,782
ordinary shares
acquired in
September 2008,
which include
2,512,000
ordinary shares
underlying
125,600
American
Depository
Shares (ADSs);
and
(d) 148,015,436
ordinary shares
for which an
agreement to
acquire was
reached in
January 2008,
and closing is
expected to take
place on or about
September 23,
2008.

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CUSIP No. Y1505N 10 0

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TELEFÓNICA INTERNACIONAL, S.A.U.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) ☐ p
(b) ☐ o

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4 SOURCE OF FUNDS
WC

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EX-99.2: SHARE PURCHASE AGREEMENT

EX-99.3: SHARE PURCHASE AGREEMENT

EX-99.4: SHARE PURCHASE AGREEMENT

EX-99.5: JOINT FILING AGREEMENT

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SCHEDULE 13D

This Amendment No. 1 (this Amendment) amends and supplements the statement on Schedule 13D (the Schedule 13D) filed on September 15, 2008 jointly by Telefónica, S.A., a corporation organized under the laws of the Kingdom of Spain (Telefónica), and Telefónica Internacional, S.A.U., a wholly-owned subsidiary of Telefónica (previously denominated Telefónica Internacional, S.A., in both instances, Telefónica Internacional), with respect to the ordinary shares, U.S.\$0.04 par value per share, of China Netcom Group Corporation (Hong Kong) Limited, a telecommunications company organized under the laws of Hong Kong (CNC). Capitalized terms used in this Amendment without definition have the meanings ascribed to them in the Schedule 13D.

Introduction

On January 18, 2008, Telefónica Internacional entered into four separate sale purchase agreements with each of Shanghai Alliance Investment Ltd., Information and Network Centre of the State Administration of Radio Film and Television, P.R.C., Chinese Academy of Sciences Holdings Co., Ltd., and China Railway Communications Center (the PRC Share Purchase Agreements) to acquire, subject to certain conditions, 148,015,436 ordinary shares of CNC (the Shares) for a total equivalent of approximately 313.53 million, subject to adjustment at closing. Regulatory approval for each of these acquisitions was obtained on September 12, 2008, and closing for the Shares is expected to take place on or about September 23, 2008. (See Item 6 and Exhibits 1 through 4 to this Amendment.)

Item 3. Source and Amount of Funds or Other Consideration.

Pursuant to the PRC Share Purchase Agreements, Telefónica Internacional acquired 148,015,436 ordinary shares of CNC for a total equivalent of approximately 313.53 million. These acquisitions were funded through internally generated funds. (See Item 6 and Exhibits 1 through 4 to this Amendment.)

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

The following summary of certain material provisions of the PRC Share Purchase Agreements does not purport to be a full and complete description of such documents and is entirely qualified by reference to the full text of such documents attached as Exhibits 1 through 4 to this Amendment.

On January 18, 2008, Telefónica Internacional entered into the PRC Share Purchase Agreements with each of Shanghai Alliance Investment Ltd., Information and Network Centre of the State Administration of Radio Film and Television, P.R.C., Chinese Academy of Sciences Holdings Co., Ltd., and China Railway Communications Center (each, a Seller). Each of the PRC Share Purchase Agreements provides for the sale and purchase of 37,003,859 ordinary shares of CNC, subject to adjustment at closing for any scrip dividend issue, split or other shares resulting from any change in the capital structure of CNC.

The purchase price payable for such shares under each of the PRC Share Purchase Agreements is HK Dollars 886,982,500, subject to an adjustment of HK Dollars 0.592 per share. The respective closings are conditional on, among other things, the respective parties having received all required government approval, permits, certificates and completed all required registrations for the purpose of the sale and purchase of the shares, and Telefónica Internacional having received from each Seller a waiver from China Network Communications Group Corporation of all pre-emptive rights and other restrictions on transfer of the shares. Regulatory approval for each of the acquisitions provided under the PRC Share Purchase Agreements was obtained from the Chinese authorities on September 12, 2008.

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The closing date for each transaction is the date ten (10) business days after the date on which the last closing condition is satisfied or waived, such date being no later than September 30, 2008, or such later date as the parties may agree. Closing is expected to take place on or about September 23, 2008. Each of the parties made customary warranties in connection with such sale and purchase.

Item 7. Material to be Filed as Exhibits.

Exhibit 1:

Share Purchase Agreement, dated January 18, 2008, for the purchase of shares in China Netcom Group Corporation (Hong Kong) Limited between Telefónica Internacional S.A. and Shanghai Alliance Investment Ltd.

Exhibit 2:

Share Purchase Agreement, dated January 18, 2008, for the purchase of shares in China Netcom Group Corporation (Hong Kong) Limited between Telefónica Internacional S.A. and Information and Network Centre of the State Administration of Radio Film and Television, P.R.C.

Exhibit 3:

Share Purchase Agreement, dated January 18, 2008, for the purchase of shares in China Netcom Group Corporation (Hong Kong) Limited between Telefónica Internacional S.A. and Chinese Academy of Sciences Holdings Co., Ltd.

Exhibit 4:

Share Purchase Agreement, dated January 18, 2008, for the purchase of shares in China Netcom Group Corporation (Hong Kong) Limited between Telefónica Internacional S.A. and China Railway Communication Center.

Exhibit 5:

Joint Filing Agreement, dated September 15, 2008, between Telefónica, S.A. and Telefónica Internacional, S.A.U.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: September 22, 2008

TELEFÓNICA, S.A.

By: /s/ Maria Luz Medrano Aranguren

Name: Maria Luz Medrano Aranguren

Title: Group General Vice Counsel

TELEFÓNICA INTERNACIONAL, S.A.U.

By: /s/ Juan Carlos Ros Bruguera

Name: Juan Carlos Ros Bruguera

Title: Attorney

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4. Share Purchase Agreement, dated January 18, 2008, for the purchase of shares in China Netcom Group Corporation (Hong Kong) Limited between Telefónica Internacional S.A. and China Railway Communication Center.
5. Joint Filing Agreement, dated September 15, 2008, between Telefónica, S.A. and Telefónica Internacional S.A.U.