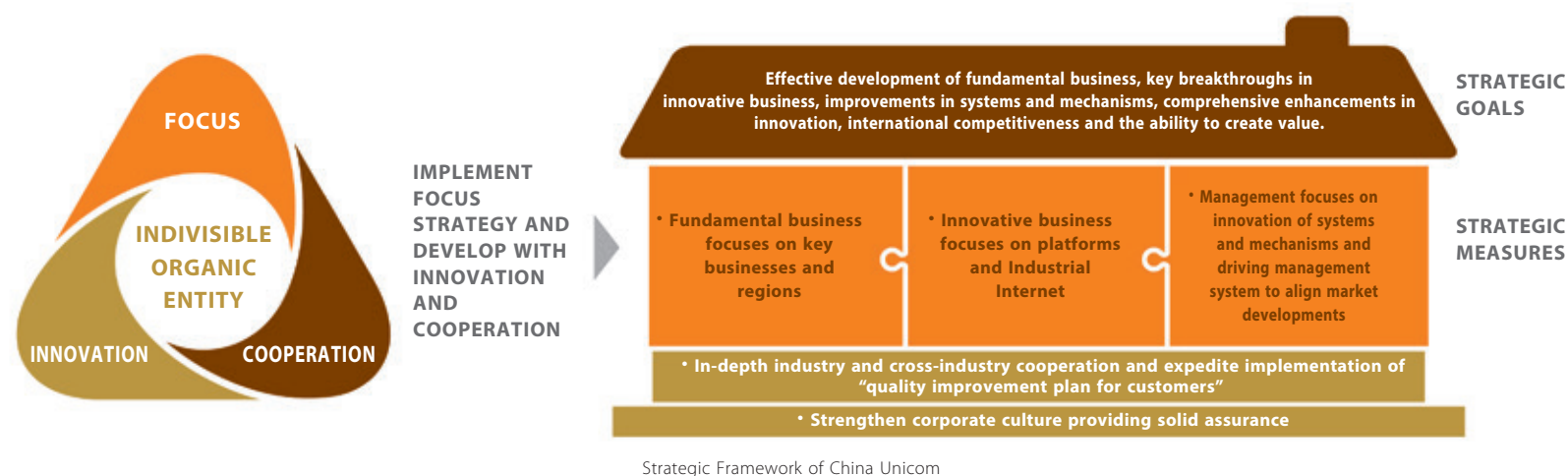


DEVELOPMENT STRATEGY

In meticulous implementation of the development philosophy of “innovation, coordination, eco-friendliness, openness and sharing”, China Unicom, leveraging its edges and resources, has formulated and implemented the Focus Strategy centred on focus, cooperation and innovation to guide the future development of the Company, in order to cope with the complex and profound changes taking place inside and outside the Company. The core essence of the Focus Strategy is to stay focused, uphold the driving force of innovation and persist in deepening cooperation. In the fundamental business segments we are focused on the key businesses and regions, while in the innovative business we are focused on platforms and Industrial Internet. In management, we are focused on the innovation of systems and mechanisms and adapting our management regime to market developments. We have embarked on in-depth cooperation with industry peers as well as members of other sectors and strengthened corporate culture development. Following our efforts in the past 3 to 5 years, we have achieved significant progress in our strategic transformation, resulting in effective development of our fundamental businesses, key breakthroughs in our innovative business, as well as improvements in our systems and mechanisms. China Unicom has been generally enhanced in terms of innovation, international competitiveness and the ability to deliver value.

Year 2017 has been a crucial year for the deepened implementation of China Unicom’s Focus Strategy, during which the business development of our Company took a historic turn. Our business transformation has taken solid steps forward. Profound changes in systems and mechanisms have taken place. We successfully set a benchmark for the mixed-ownership reform of central state-owned enterprises. In the future, the Company will continue to reinforce our corporate culture to strengthen enterprise, foster solidarity among staff and intensify reforms in order to promote the revamped image of China Unicom with five new elements.



Strategic Framework of China Unicom

CORPORATE GOVERNANCE

China Unicom adopted the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Securities and Futures Ordinance and other related laws and regulations as the basic guidelines for corporate governance. The articles of association of the Company are in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the regulatory requirements for non-U.S. companies listed in the United States. We have continued to improve our basic corporate governance regime and information disclosure and regulate operations of the Company in a diligent effort to fulfill our responsibilities towards the capital markets and the investors as part of our drive for the long-term success and sustainable development of the Company’s business.

Responsibilities towards the capital markets

In order to further enhance the Company’s internal control of information disclosure, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures (including inside information), the Company has adopted and implemented the Information Disclosure Control Policy. The Information Disclosure Review Committee has established under the management and formulated the procedures in connection with the compilation and reporting of the Company’s financial and operational statistics and other information, as well as the procedures in connection with the preparation and review of the periodic reports. In particular, the Company has requested the upward undertakings by the individual responsible officers at the levels of subsidiaries, branches and major departments. The Company established a comprehensive regime for its Board of Directors, Members of the Board consist of outstanding individuals from different professions in Mainland China, Hong Kong and overseas, which contributes to the enhanced management standard and more regulated operation of corporate governance of the Company.