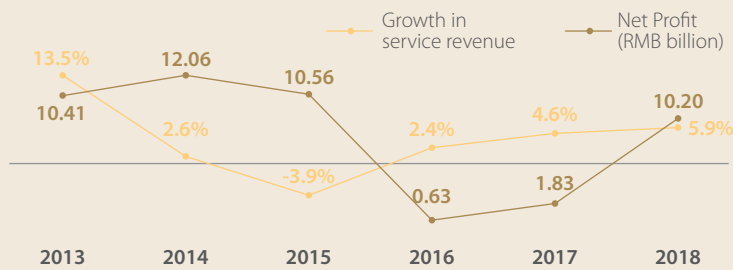


A great start in the first year of mixed-ownership reform

Positive results in mixed-ownership reform were achieved, underpinned by a V-shaped rebound in operating results and continuous improvements in internal and external environments. The morale of staff officers received a significant boost and the Company went on the fast track of high-quality growth.

© Outgrowing peers in revenue and profit

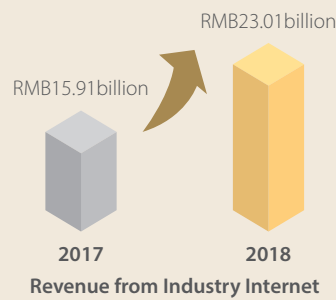


Turnaround in operating results and significant improvement in profitability

Service revenue	RMB 263.7 Billion	Growth rate 5.9 %
Net profit*	RMB 10.2 Billion	Growth rate 458 %

* Net profit represented profit attributable to equity shareholders of the Company.

© Notable enhancement in the quality of development



Financial conditions has significantly improved and industry Internet has become a new growth driver.

January to December 2018

Liabilities-to-assets ratio
41.8 %

Financial costs decreased by
RMB4.1 billion

Rate of decrease
71.7 %

FEATURE STORY III: COMPREHENSIVE EFFORTS IN TARGETED POVERTY ALLEVIATION

China Unicom has made exhaustive efforts to combat poverty by strengthening alleviation efforts, expanding the scope of mobilisation, ensuring precision in initiatives, speeding up our programmes and showing our compassion for poverty alleviation.

Developing a grand scheme for poverty alleviation

In diligent performance of its responsibility as a central enterprise, China Unicom has proactively formulated an all-rounded scheme for poverty alleviation by uniting forces at all levels of the Company, internal and external. Through team unity, coordinated actions, resource sharing, concerted efforts, internal and external cooperation and complementary edges, we have formed a formidable combined force that will help combat poverty.

More than 500 operating units of the Company undertook designated aid missions appointed by the central and local governments, covering 917 impoverished counties at national or provincial/municipal level through the dispatch of 1,857 poverty alleviation workers (including 417 workers posted at the Village Secretary Offices). We arranged 360 industry poverty alleviation projects, provided training to over 6,400 labourers in rural villages and key technical workers. We facilitated the relocation of 4,572 underprivileged people and provided financial assistance to 2,310 students. We committed medical and hygiene resources, which benefitted 14,800 impoverished people.



Chairman Wong Xiaochu chatting with residents lifted from poverty in Ceheng County, Qian Southwest Prefecture, Guizhou Province

China Unicom Hunan reached out to Dongjiu Village, a key village designated for poverty alleviation through rural tourism, to help local farmers grow new products such as konjac. Vegetable experts were invited to provide on-site consultation and help ensure good harvest such that Dongjiu Village might be lifted from poverty.



Expert in kiwi fruit in Western Hunan instructing farmers on planting techniques.

China Unicom Gansu launched a series of poverty alleviation initiatives such as conversion of buildings in disrepair, maintenance of village committee offices, village road repair and education aid, etc. to deepen poverty alleviation.



Through the "Poverty Alleviation with Warmth and Education Assistance by China Unicom" initiative, 84 down feather jackets were sent to kids at three primary schools in Zhangjiachuan County.

With its big data platform for "targeted poverty alleviation", China Unicom Inner Mongolia branch helped Linxi County to become the first national-level impoverished county in Inner Mongolia to be lifted from poverty through "targeted identification, targeted aid, targeted policy implementation and targeted exit".

Weishan County, Dali, taken care by China Unicom Yunnan branch, passed the national assessment for poverty lifting and become one of the first impoverished counties in Yunnan Province to be lifted from poverty. A total of 244 residents from 69 households were lifted from poverty, as the Company was named an advanced unit in poverty alleviation in 2018 by Weishan County, Dali Prefecture. On 26 September, the village leadership and cadres of Qinghua Village, Weishan County, Dali led by the village committee secretary paid a visit to China Unicom Yunnan branch to express their gratitude.

Active promotion of poverty alleviation through telecommunication network

Network infrastructure construction was enhanced to enable affordable telecommunication service for people in impoverished areas. With a special focus on designated poverty alleviation areas, deeply impoverished areas in "three districts and three prefectures" and national-level key impoverished areas, we set out targets on network capacity, investment and key projects, and accelerated network infrastructure construction. Network investments amounting to RMB1,889 million were made to expand network coverage in impoverished areas.

Fibre broadband coverage was expanded in remote villages and western areas. Construction was completed for approximately 16,000 administrative villages. 504,800 new broadband ports were added.

Broadband construction completed for approximately **16,000** administrative villages.

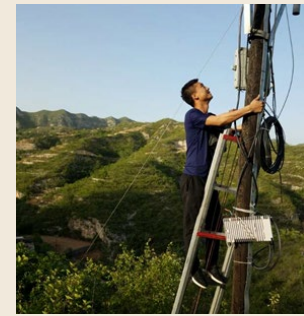
Coverage of universal 4G service was expanded with the construction of 17,400 new wireless base stations in impoverished counties across the country.

A total of **17,400** new wireless base stations were constructed in impoverished counties.

Vigorous efforts were made to build self-operated sales outlets and develop social channels in villages and remote impoverished areas. Outlets were located closer to villagers affording more convenience to farmers, a move much welcome by the local farmers.

4G coverage in villages and townships reaching **91** %.

China Unicom Shanxi branch launched a county revival campaign to enhance network fulfilment for farmers. Network investments were significantly tilted towards the counties, while a mobile network optimisation campaign known as "Operation Sunshine" was launched, resolving 4,920 network issues and reducing the service alert ratio from 6% to 1.63%.



Rural network optimisation operation

Concessionary measures were launched to enable affordable telecommunication services for the people in impoverished areas. A total of 6,252 poverty alleviation handsets and other poverty alleviation terminals were provided alongside concessionary packages or free telecommunication services for the benefit of 252,000 people in impoverished areas. On top of the "Speed Upgrade and Tariff Reduction" policy, concessionary tariffs targeted at poverty alleviation were offered to the impoverished areas, so that the underprivileged could benefit from more economical tariff policies and cheaper telecommunication products. Targeted poverty alleviation packages were offered by 27 provincial companies with more than 450,000 users and telecommunication fee relief of approximately RMB12 million for the underprivileged.

We also supported poverty alleviation through social charity to let people in impoverished areas enjoy good telecommunication services. Through intensive cooperation with Social Participation in Poverty Alleviation and Development of China, we pledged to give out 10 million generic data packs and dedicated data packs with a total worth of RMB44.50 million to underprivileged users registered with Social Participation in Poverty Alleviation and Development of China, charitable parties and officers engaged in poverty alleviation.

Poverty alleviation through "Internet+ e-commerce"

China Unicom has innovated a new model for poverty alleviation through e-commerce spending by teaming up with JD.com, its partner in mixed-ownership reform, to engage in internal and public-facing poverty alleviation through online spending. Internally, we have established an online "China Unicom Poverty Alleviation Flagship Store" to meet the diverse internal purchase needs. Externally, "China Unicom Charity and Poverty Alleviation Pavilion" was set up on the JD.com portal, as an online "Famous Brand Supermarket" for the agricultural products from the impoverished counties, and served as a powerful sales platform connecting with the entities at all levels of China Unicom, its 300,000 employees and the public for the impoverished areas. In just three months after going online in 2018, the platform amassed over RMB30 million in sales of poverty alleviation goods, providing a fundamental solution to the problem of poor marketability of agricultural goods owing to weak e-commerce capacity in impoverished areas.



The China Unicom Charity and Poverty Alleviation Pavilion, a joint effort by China Unicom and JD.com, promotes agricultural goods from impoverished counties to the public.



China Unicom Jiangsu and Xinjiang branches jointly help agricultural goods from Pishan County sell in Jiangsu province.



China Unicom organised more than 120 exhibition sessions to promote agricultural goods from impoverished counties before and after the poverty alleviation day.

China Unicom Shaanxi branch tested the new model of "Internet + Targeted Poverty Alleviation" and built an administration platform for poverty aid officers stationed at villages, which covered approximately 900 departments and units, and more than 60,000 active handset users, opening up a convenient channel between supply and demand for agricultural products.



Data display on the Big Data Poverty Alleviation Information Command Centre

China Unicom Beijing branch worked with Fogukou Village in fighting poverty on a long-term basis under the "One Enterprise, One Village" matching system for aid and assistance. We offered assistance in connection with communication services, smart agriculture, fruit sales and low-income farmers, etc. We called on our staff to buy 4,039 boxes of apples from Fogukou Village for approximately RMB400,000 and procured close to 10,000 apple boxes to facilitate sales.

Solid progress in assistance to Xinjiang and Tibet

China Unicom continued to increase its targeted financial assistance to Tibet. Since the "13th Five-year Plan", we have been focusing on the poverty alleviation goal of "Casting away worries in two aspects and providing assurance in three" by implementing the relocation project, health project and education informatisation project, aiding through empowering and making strong efforts to help Geji fight against poverty and solve the practical difficulties of the underprivileged. 180,000 China Unicom customers participated in the "charity library" donation for schools in Southern Xinjiang, with a total of 126 million points donated. We also donated "charity libraries" to 132 schools in Sidizhou, Southern Xinjiang for the benefit of more than 85,000 primary and secondary students.



Paying visit to relocated families in Geji County, Tibet



Provided training in relation to poverty alleviation and education assistance for Geji County civil servants and staff of China Unicom Tibet branch.

FEATURE STORY IV: DELIVERING 2022 SMART WINTER OLYMPICS

As the sole partner in official communication services for Beijing 2022 Winter Olympics and Paralympics, China Unicom incorporated the ideology of "eco-friendliness, openness, sharing and integrity" into its Olympic communication service regime in close tandem with the theme of "Smart Winter Olympics Connecting the Future". The Company is committed to supporting the Olympics with smart networks and hyper speeds, serving the Olympics with smart applications and an extensive range of products and services, and safeguarding the Olympics with smart technologies and professional teams. China Unicom pledged to fuel powerful new energy to ensure the success of the Winter Olympics and another manifestation of China's strengths.

At the China Unicom Day of the Olympic Expo held in Beijing in August 2018, Mr. Juan Antonio Samaranch, Vice President of the International Olympic Committee and Chair of the Coordination Commission for the Olympic Winter Games Beijing 2022, made a remark:

"China Unicom's pledge for a 'Smart Winter Olympics Connecting the Future' has raised our expectations for 2022 Winter Olympics. The fast development of communication technologies has not only fulfilled the demand for "faster, higher-speed and stronger" networks, but also has provided many more possibilities in how Olympic sports could carry out. I believe that China Unicom will team with Beijing Organising Committee to deliver a most spectacular, superb and extraordinary Winter Olympics event."



Elucidating the core objectives of Smart Winter Olympics

The core "SMART" objectives of China Unicom's Smart Winter Olympics compose of safe Olympics, digital Olympics, smart Olympics, green Olympics and hi-tech Olympics, highlighting China Unicom 5G's boost to underpin the "Smart Winter Olympics".