

Annual Results 2017

▶ Forward-looking Statements

Certain statements contained in this presentation may be viewed as “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934 (as amended). Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, we do not intend to update these forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company’s most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the “SEC”) and in the Company’s other filings with the SEC.

Mr. Wang Xiaochu

Chairman & CEO

Mr. Lu Yimin

Executive Director & President

Mr. Li Fushen

Executive Director & CFO

Mr. Shao Guanglu

Executive Director & SVP

**OVERALL
RESULTS**



**OPERATING
PERFORMANCE**



**FINANCIAL
PERFORMANCE**

- 1 Profitability rebounded as planned benefiting from deepened implementation of the Strategy of Focus, Innovation & Cooperation**
- 2 Innovative business model underpinned fast & effective growth in mobile service**
- 3 Achieved competitive network quality & efficiency enhancement with precise investment leveraging focus & cooperation**
- 4 Promoted synergetic cooperation with strategic investors to boost new energy for innovative development**
- 5 Deeply pushed forward market-oriented system & mechanism reform to lift vibrancy & efficiency**
- 6 To leverage mixed-ownership reform to deepen Internet-oriented operation & strive to start a new paradigm of high-quality development**

Robust Momentum Sustained

(RMB Mil)	2016	2017	Change YoY
Operating Revenue	274,197	274,829	0.2%
Of which: Service Revenue ^{1,2}	238,033	249,015	4.6%
EBITDA³	79,498	81,425	2.4%
EBITDA (Excluding net loss on asset disposal related to fibre network upgrade in 2017)	79,498	84,325	6.1%
<i>As % of Service Revenue</i>	33.4%	33.9%	0.5pp
Net Profit⁴	625	1,828	192.5%
Net Profit (Excluding net loss on asset disposal related to fibre network upgrade in 2017)	625	4,003	540.5%
Basic EPS (RMB)	0.026	0.074	185.1%
Free Cash Flow⁵	2,483	42,920	1,628.8%

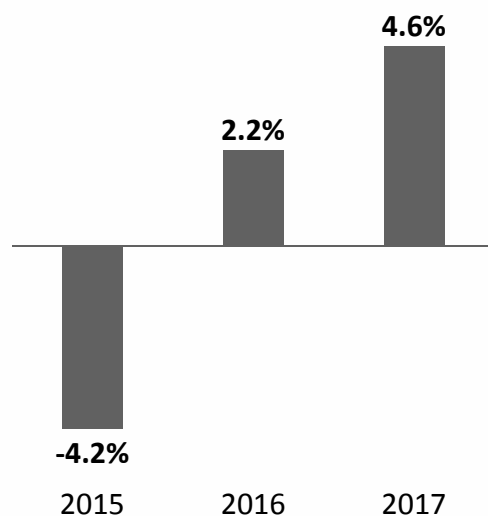
Note: Unless otherwise stated in this presentation,

1. Service revenue = operating revenue – sales of telecommunications products.
2. In order to better satisfy the internal operation and management requirements, revenue from sales of products associated with the ICT business, which was previously recorded as part of the fixed-line service revenue, has been reclassified as part of the revenue from sales of telecommunications products. The related figures for 2016 have been restated.
3. EBITDA = profit for the year before finance costs, interest income, shares of net profit of associates, share of net profit of joint ventures, other income - net, income tax, depreciation & amortisation.
4. Net profit represented profit attributable to equity shareholders of the Company.
5. Free cash flow = operating cash flow – CAPEX.

Power of Turnaround Strengthened

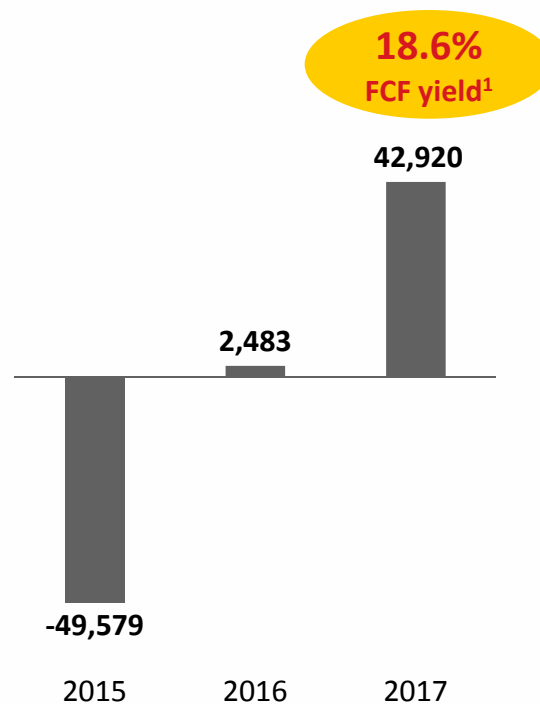
Accelerating Service Revenue Growth

Service Revenue Growth
(YoY)



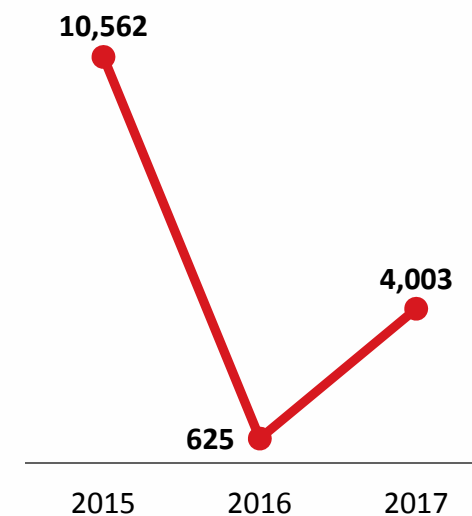
Industry-leading FCF Yield

Free Cash Flow
(RMB Mil)



V-shaped Rebound in Net Profit

Net Profit²
(RMB Mil)



Note:

1. FCF yield = free cash flow / average market capitalisation of the Company.
2. Excluding net loss on asset disposal related to fibre network upgrade in 2017.

Innovative Business Model Posted Remarkable Results

“ *Fast mobile service revenue growth outperformed the industry average amidst low subscriber acquisition cost & subsidy* ”

Edges of 2I2C, 2B2C

- Strengthened data traffic operation & targeted marketing for sub-divided segments
- Reached out to new customers effectively, especially youth market
- Achieved breakthrough in market structure & promoted win-win-win

Mobile Service
Revenue Growth

▲ **7.9%**

2.2pp higher than
industry average¹

4G Subs
Market Share

▲ **3.7pp**

70.33 mil net add

Mobile Billing Subs
ARPU

▲ **3.5%**

RMB48.0

Selling &
Marketing Expenses

▼ **1.6%**

Handset
Subsidy

▼ **59.1%**

Note:

1. Industry data was based on the disclosure in MIIT's website.

Fully Unleash Advantages of Mixed-ownership Reform

“ *The only central SOE to adopt entire group-based mixed-ownership reform* ”



**Enhance corporate governance
Protrude core businesses**

**Strengthen incentives
Raise efficiency**

Leverage External Resources

Introduce strong & solid strategic investors via Unicom A Share Company



Create Powerful Alliance

Deepen synergetic cooperation with strategic investors



Reform System & Mechanism

Establish well-coordinated governance system & market-oriented incentive mechanism with effective checks-and-balances



**Lower gearing & finance costs,
boost future investment &
financing capacity**



**Boost new energy for
innovative development**

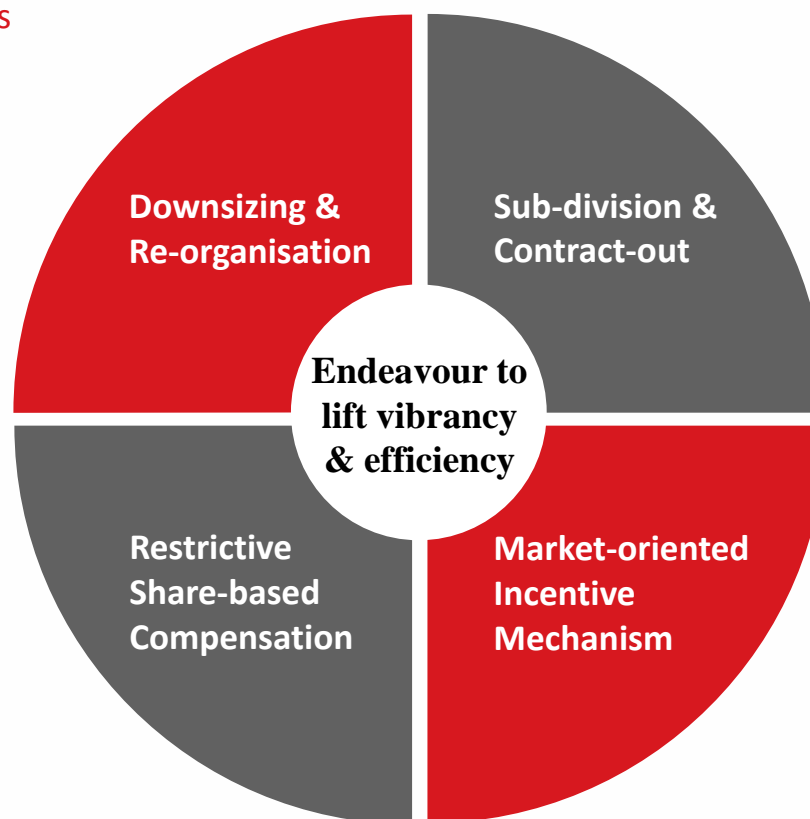


Lift vibrancy & efficiency

Enhance efficiency & better returns for shareholders & employees

Push Forward In-depth System & Mechanism Reform

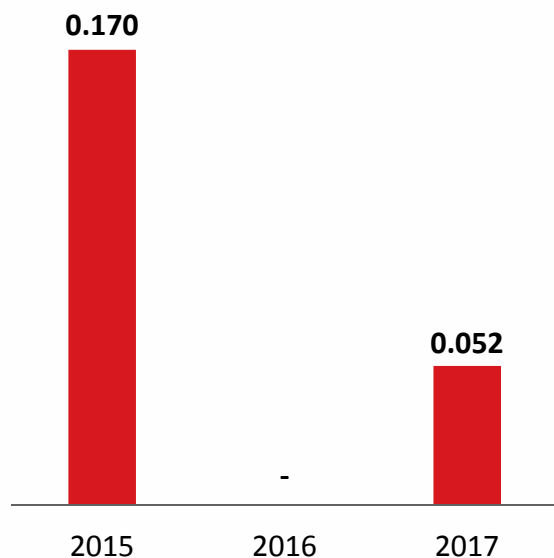
- Number of departments at the headquarters ▼33%; Number of institutions at provincial branches ▼21%; On average ≈15% of mid-level management withdrawn
- Build an organisational structure with “lean management, scale operation & strong synergy”
- Establish an ongoing mechanism
- Issue restrictive shares of Unicom A Share Company to managerial staff & key talents
- Combine short-term & long-term incentives to align the interests of shareholders, the Company & employees



- Share of incremental return with revenue & gross profit as KPIs
- Return to innovative “small companies” from a “big company”
- Align responsibilities with authorities & rewards
- Strengthen the top-down business support
- Optimise incentive structure to be more closely aligned with results & performance
- Achieve better “salary up & down”, “staff in & out”, & “posts up & down”

Reinstate Dividend

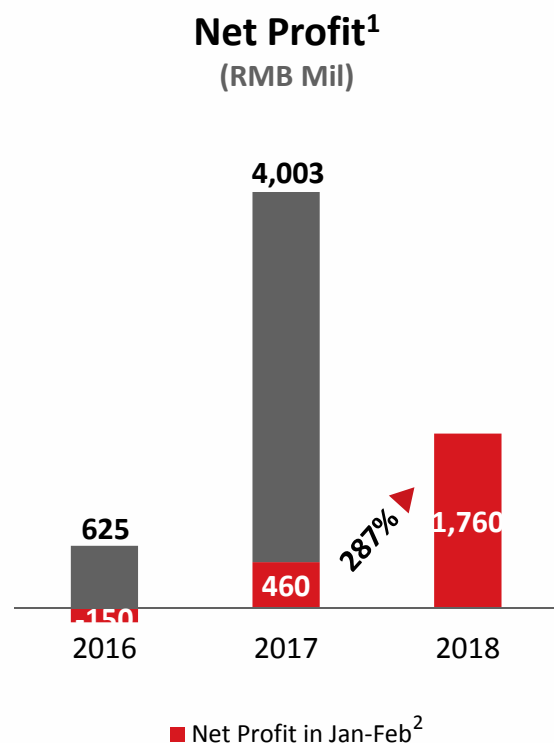
Final Dividend Per Share
(RMB)



- High regard for shareholder returns
- The Board recommended to pay a final dividend per share of RMB0.052 (**≈40% of net profit excluding net loss on asset disposal related to fibre network upgrade in 2017**), taking into due consideration of the Company's profitability, debts, cash flow & capital requirements for future development
- Strive to raise future profitability to enhance corporate efficiency & shareholder returns

A Great Start of 2018

“ Fully deepen the implementation of Focus Strategy;
Promote growth, Control costs & Reform mechanism ”



January - February 2018²

- Mobile billing subs net add: 5.677 mil, ▲ ≈214.7% YoY
- Overall service revenue: ≈RMB43.22 bil, ▲ ≈8.2% YoY
- Mobile service revenue: ≈RMB26.52 bil, ▲ ≈11.6% YoY
- Revenue from industrial Internet business: ≈RMB3.76 bil, ▲ ≈30.7% YoY

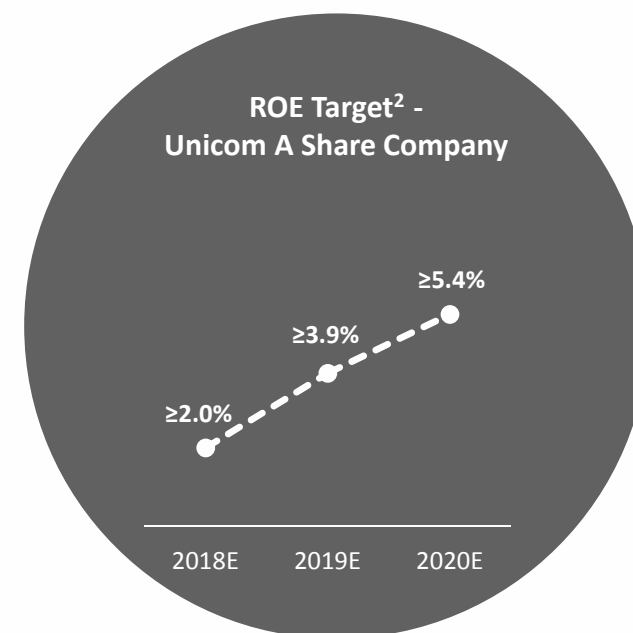
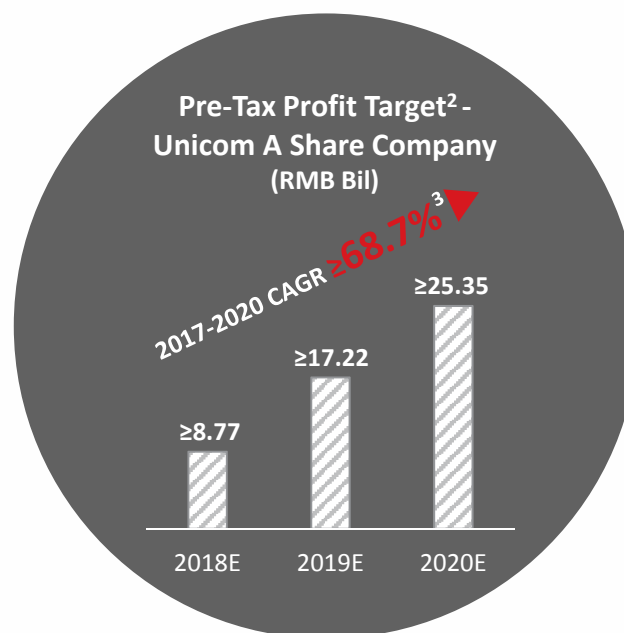
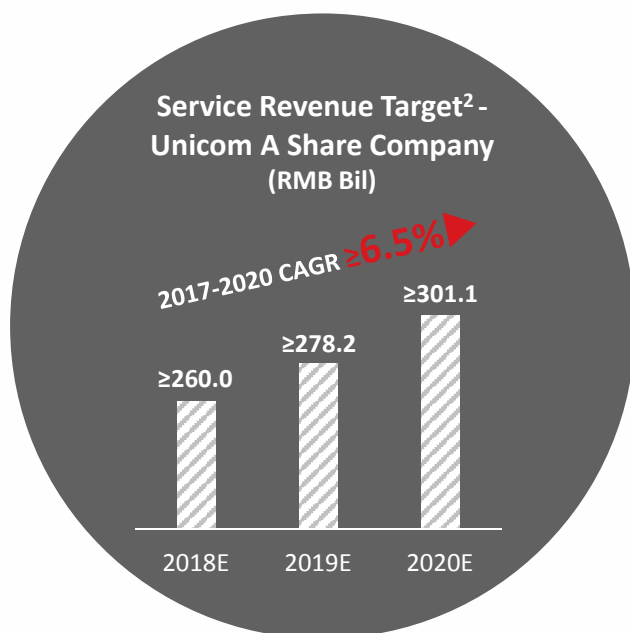
Note:

1. Excluding net loss on asset disposal related to fibre network upgrade in 2017.
2. The financial data for January-February of 2016-2018 was extracted from the internal management accounts prepared under PRC accounting standards, which has not been reviewed or audited by the auditors. The financial data prepared under PRC accounting standards may differ from the data prepared under International/Hong Kong Financial Reporting Standards. Investors are cautioned not to rely on the above internal data.

Share-based Incentive to Promote Value Enhancement

“ *Strive to beat the unlocking targets & drive share price hike, achieving collective growth in returns for shareholders, the Company & employees* ”

Key unlocking targets under Unicom A Share Company's employee share incentive scheme¹

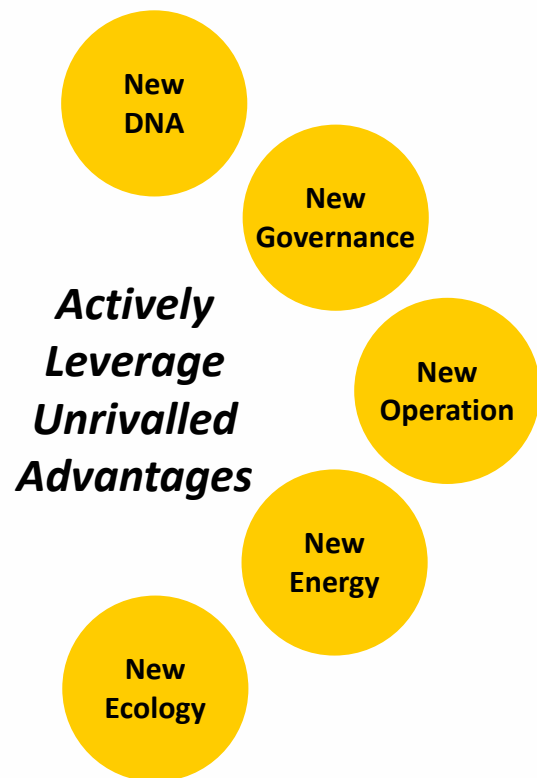


- Service revenue growth in 2018-2020 vs 2017 basis shall not be less than the average of industry peers respectively
- Pre-tax profit growth in 2018-2020 vs 2017 basis shall not be less than 75th percentile of industry peers respectively

Note:

1. For the details of Unicom A Share Company's employee share incentive scheme, please refer to the related Unicom A Share Company's public announcements filed with The Shanghai Stock Exchange on 11 February 2018.
2. For the comparison between the historical financial data of Unicom Red Chip Company and Unicom A Share Company, please refer to slide 38.
3. Pre-tax profit in 2017 excluded net loss on asset disposal related to fibre network upgrade.

Start a New Paradigm of High-quality Development



- Persistent in deepening the strategy of Focus, Innovation & Cooperation

- Persevere in the implementation of Internet-oriented operation

- Fully unleash the advantages of mixed-ownership reform

- Diligent in shaping critical capabilities

Returns
Competitiveness
Efficiency

OVERALL
RESULTS



**OPERATING
PERFORMANCE**



FINANCIAL
PERFORMANCE

Revenue Breakdown

(RMB Mil)	2016	2017	Change YoY
Mobile Service Revenue	145,018	156,441	7.9%
Voice	49,142	41,473	-15.6%
Data Traffic	73,421	93,283	27.1%
Others	22,455	21,685	-3.4%
Fixed-line Service Revenue	91,710	90,866	-0.9%
Voice	13,267	12,045	-9.2%
Broadband Access	43,867	42,712	-2.6%
Other Internet & Data	16,164	17,591	8.8%
ICT ¹	2,986	3,319	11.0%
Others ²	15,426	15,198	-1.5%
Other Service Revenue	1,305	1,708	30.9%
Sales of Telecommunications Products¹	36,164	25,814	-28.6%
Total	274,197	274,829	0.2%

Note:

1. In order to better satisfy the internal operation and management requirements, revenue from sales of products associated with the ICT business, which was previously recorded as part of the fixed-line service revenue, has been reclassified as part of the revenue from sales of telecommunications products. The related figures for 2016 have also been restated.
2. Mainly included revenue from leased line services & others.

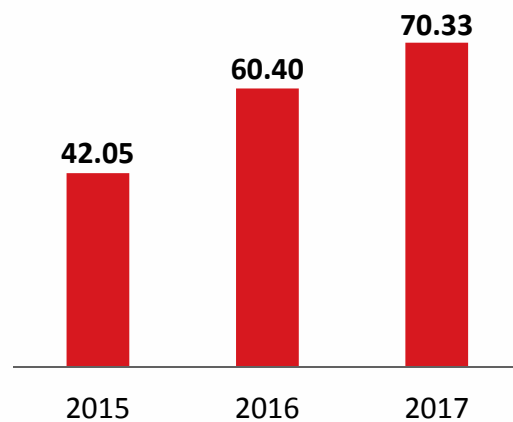
Fast & Effective Growth in Mobile Service

- Strengthened data traffic operation with rich data product offerings to satisfy sub-divided markets
- 2I2C & 2B2C - effectively reached & developed new subscribers with low selling & marketing costs

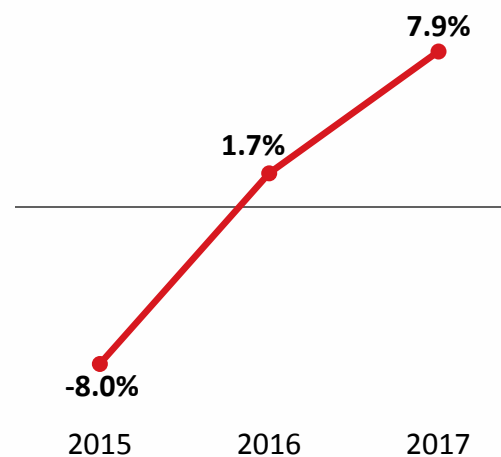
4G Subs ▲
Mobile data consumption ▲

Mobile service revenue ▲

4G Subs Net Add
(Mil)



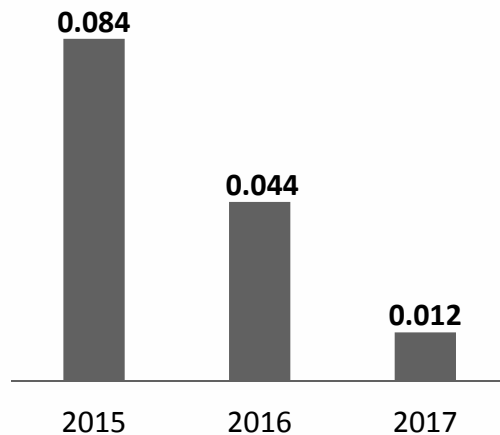
Mobile Service Revenue Growth
(YoY)



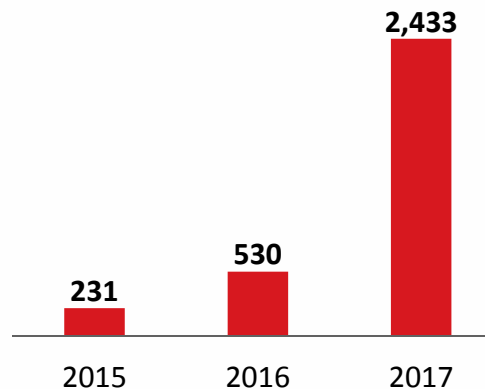
Strong Growth Momentum in Mobile Data

- Continued to release data capacity by strengthening promotion of data products & enriching packages with contents & privileges to drive data business growth
- Huge growth potential with 4G Subs penetration at 62% (vs industry average: 71%), 4G Subs DOU of 4.4GB & mobile handset user DOU of 2.4GB
- High mobile data price elasticity stimulated data consumption & improved customer satisfaction, hence revenue growth

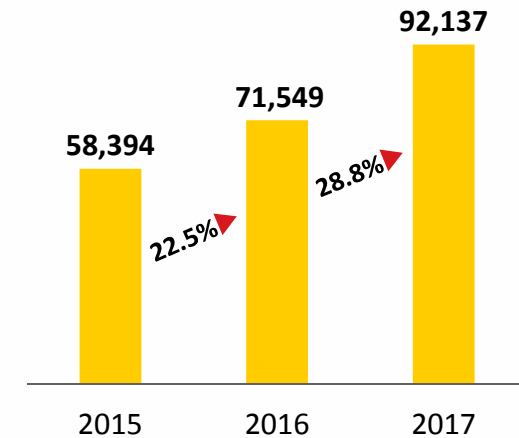
**Mobile Handset
Internet Access Tariff**
(RMB/MB)



Mobile Handset User DOU
(MB)

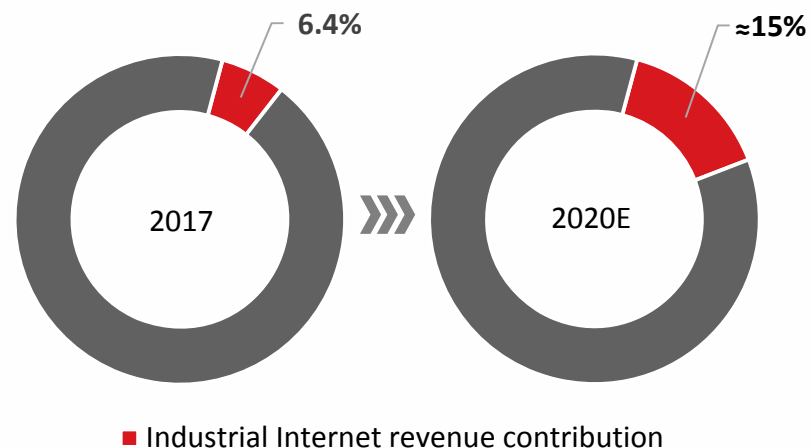


**Mobile Handset
Internet Access Revenue**
(RMB Mil)



Step Up Investment in Future Growth Engines

Revenue (RMB Bil)	2017
Industrial Internet	15.91 (▲17.4%)
IDC	10.54
IT services	3.32
Internet of Things	1.41
Cloud	0.48
Big Data	0.16



- Focus on Cloud-driven services, 6 key industries & 36 major cities
- Collaborate with strategic investors from mixed-ownership reform, industry leaders & etc to create an externally well-connected, internally effective & win-win new ecology
- Establish system & mechanism segregated from legacy telecom service, with incentive system of sharing incremental return, while exploring long-term incentive systems to enable the Company & employees to collectively share upside & downside
- Actively explore cooperation through investment or capital financing initiatives to diversify ownership structure & achieve asset-light operation

Boost New Energy for Innovative Development

“ *Powerful alliance, complementary edges & innovative win-win cooperation* ”

Retail System

- Develop 212C subs in scale leveraging Internet sales touch points
- Pilot “Smart Living Experience Store” with Alibaba, JD.com & Suning to build China Unicom’s New Retail system

Content Aggregation

- Comprehensive cooperation with Baidu, Tencent, Alibaba & Suning to develop mass video products



Cloud

- Debuted the Cloud service collaborated platforms with Tencent & Alibaba to provide public Cloud & hybrid Cloud services



Big Data

- Develop Big Data cooperation with China Life, Alibaba, Tencent, Baidu, JD.com & Suning, focusing on areas such as credit assessment, digital marketing & risk management

IoT

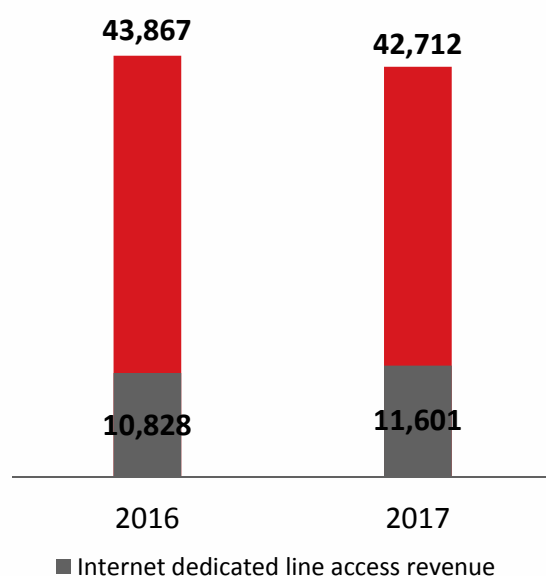
- Kick off in-depth cooperation with Alibaba, Tencent, Baidu, JD.com & Suning, focusing on IoT security, Internet of Vehicles (IoV), Smart Home, etc

Telecommunications

- Continue extensive cooperation with strategic investors (e.g. China Life, Alibaba, Tencent, Baidu, JD.com), making China Unicom the preferred partner for fundamental telecom services

To Actively Counter Intense Broadband Competition

Fixed-line Broadband
Access Revenue¹
(RMB Mil)



Key Initiatives in 2018

- Leveraging TV & video content to gradually transform from offering broadband services to content services
- Further enhance network coverage & quality with increased private capital cooperation; promoting 200Mbps products in Northern China & selected regions in Southern China
- Accelerate integrated grid-based contract-out reform to stimulate front-line vitality & enhance sales & service capabilities
- Actively drive sales via Internet channels
- Offer home network services & explore new business model for home Internet

Note:

1. Excluded revenue from IPTV

Roll-out Intelligent Products Integrating Cloud & Network

Innovative business revenue ▲

Internet dedicated line access revenue ▲

Leased line service revenue ▲

- Provide intelligent services integrating Cloud & network based on SDN/NFV to government & enterprise customers
- Launch Cloud-based network products: Cloud integrated network, Cloud-organised network, Cloud-dedicated line, Cloud-broadband, Cloud Shield, premium network products for smart video & financial services
- New products with features including instant activation, scalable bandwidth & self-services, etc

Cloud-based

- Network of software-based & Cloud-based
- Cloud-centric integrated network

Intelligent

- Mass data analytics
- Intelligent & automated decision-making

Open Up

- API-oriented network capability
- Business capability

Ubiquitous

- Mobile & ubiquitous access
- Synergised Cloud & network for Internet of Everything

Expedite Internet-oriented New Operation

“ Foster Differentiated Edge ”

Customer
Experience ▲

Swift
Response ▲

Efficient
Operation ▲

Operation
Management

**Reform System & Mechanism to
Enhance Efficiency**

- Decentralisation, disintermediation & de-boundary
- Sub-division & contract-out, empowerment of front-line
- Precise construction & investment

**Fully Promote
Internet-oriented
operation**

**Service at Anytime, Anywhere,
Any Wish**

- 2C: Expand customer touch points with strong focus on the youth market
- 2B: Industry informatisation-driven with strong focus on government & enterprise customers

Development &
Retention

Products

Simple, Superior, Iterative

- Simple product design
- Superior customer experience
- Fast iterative upgrade

O2O All-round Operation

“ Enhance marketing efficiency & speed up business development ”

Online

- **Strengthen proprietary online touch points**
 - Centralised operation for mobile outlet (exceed 50 mil users base), web outlet, & Wechat public account
 - Carry out customer retention & value management via precise marketing
- **Build strong tie with partners' online touch points**
 - Strengthen 2I2C (12.2017: billing subs ≈50 mil)

O2O Synergy

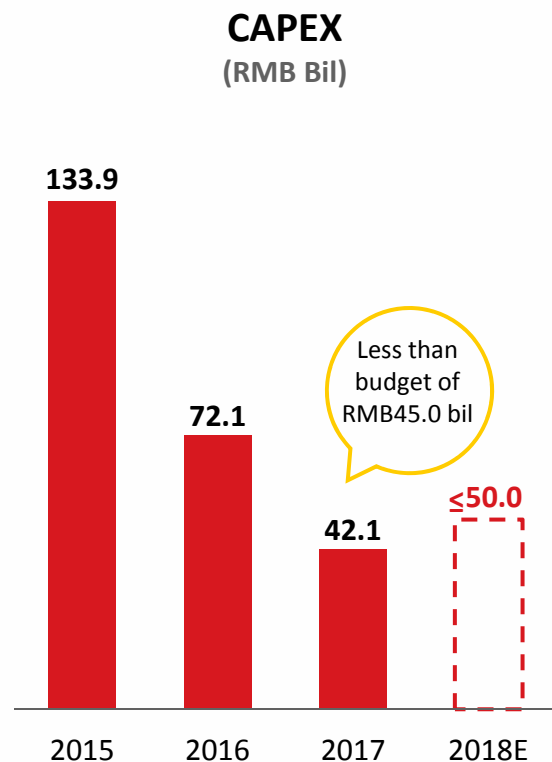
- **Store-based multi-dimensional marketing system**
 - O2O mutual-promotion
 - Same product with same price & same inventory for both online & offline channels
- **Intelligent mid-platform to drive Internet-oriented operation**
 - Integrate orders from direct marketing, QR code & online sales, etc
 - Centralised support for full services & orders from all channels

Offline

- **New Retail stores**
 - Cooperate with strategic investors to promote New Retail operation to increase customer traffic & lower costs
- **Light touch-points**
 - Cross-industry alliance
 - QR Code (One Code, One Shop; One Code, One Product & One Code, One Person...)
- **Integrated grid-based direct sales**
 - Smart Home engineer
 - Smart Home platform

Drive Precise Investment with Focus & Cooperation

“ *Enhancement in both network utilisation & NPS despite substantial reduction in CAPEX, leading to fast & effective business growth* ”



- **Network quality & customers' perception on the rise in focused regions**

- NPS for mobile & broadband services up by 7 and 5 points, respectively
- Industry-leading 4G downlink & uplink average speed
- Industry-best network latency performance

- **Network utilisation & efficiency significantly improved**

- 4G network utilisation: 57% (▲42pp)
- FTTH subscriber penetration: 77% (▲6pp); fixed-line broadband subs with ≥100Mbps: 39% (▲31pp)

Priorities in 2018

“ *Promote high-quality development with Internet-oriented operation* ”

- 1 To strive to develop “Four Systems” for operational responsibilities, sales responsibilities, innovative businesses, branding & services
- 2 To transform investment & network deployment model to rapidly answer market demand
- 3 To build an open network service system to enhance network advantages, efficiency & customers’ perception
- 4 To strengthen IT capability to critically support Internet-oriented operation
- 5 To activate intrinsic vibrancy brought by reform & innovation, setting benchmark of mixed-ownership reform
- 6 To continue to strengthen fundamental management & deepen the establishment of corporate culture & integrity

OVERALL
RESULTS



OPERATING
PERFORMANCE



**FINANCIAL
PERFORMANCE**

Key Financial Information

(RMB Mil)	2016	2017	Change YoY
Operating Revenue	274,197	274,829	0.2%
Operating Expenses	(271,504)	(270,896)	-0.2%
Operating Profit	2,693	3,933	46.0%
Finance Costs	(5,017)	(5,734)	14.3%
Interest Income	1,160	1,647	42.0%
Share of Net Profit of Associates ¹	204	893	338.6%
Share of Net Profit of Joint Ventures ²	153	574	273.8%
Other Income – Net	1,591	1,280	-19.5%
Income Tax	(154)	(743)	382.5%
Net Profit	625	1,828	192.5%

Note:

1. Share of net profit of associates mainly included share of net profit of TowerCo.
2. Share of net profit of joint ventures mainly included share of net profit of Merchants Union Consumer Finance.

Cost Control

(RMB Mil)	2016	2017	Change YoY	
Operating Expenses	(271,504)	(270,896)	-0.2%	
Interconnection Charges	(12,739)	(12,617)	-1.0%	
Depreciation & Amortisation	(76,805)	(77,492)	0.9%	
Network, Operation & Support	(51,167)	(54,507)	6.5%	<ul style="list-style-type: none"> Mainly due to higher tower usage fee & increased spending to sustain quality network & customers' experience
- Tower Usage Fee (excl. related electricity charges)	(14,887)	(16,524)	11.0%	<ul style="list-style-type: none"> Mainly due to an expanded network scale
Employee Benefit	(36,907)	(42,471)	15.1%	<ul style="list-style-type: none"> Mainly due to deepening reform of the labour & distribution system while appropriately increased compensation for front-line staff
Costs of Telecommunications Products Sold ¹	(39,301)	(26,643)	-32.2%	<ul style="list-style-type: none"> Mainly due to the sharp decrease in telecommunications products sold
- Handset Subsidy ²	(3,070)	(1,255)	-59.1%	<ul style="list-style-type: none"> Benefited from the comprehensive promotion of business model transformation
Selling & Marketing	(34,646)	(34,086)	-1.6%	<ul style="list-style-type: none"> Benefited from the comprehensive promotion of business model transformation
G&A & Others ¹	(19,939)	(23,080)	15.8%	<ul style="list-style-type: none"> Mainly due to the net loss on asset disposal of about RMB2.9 bil related to fibre network upgrade in 2017

Note:

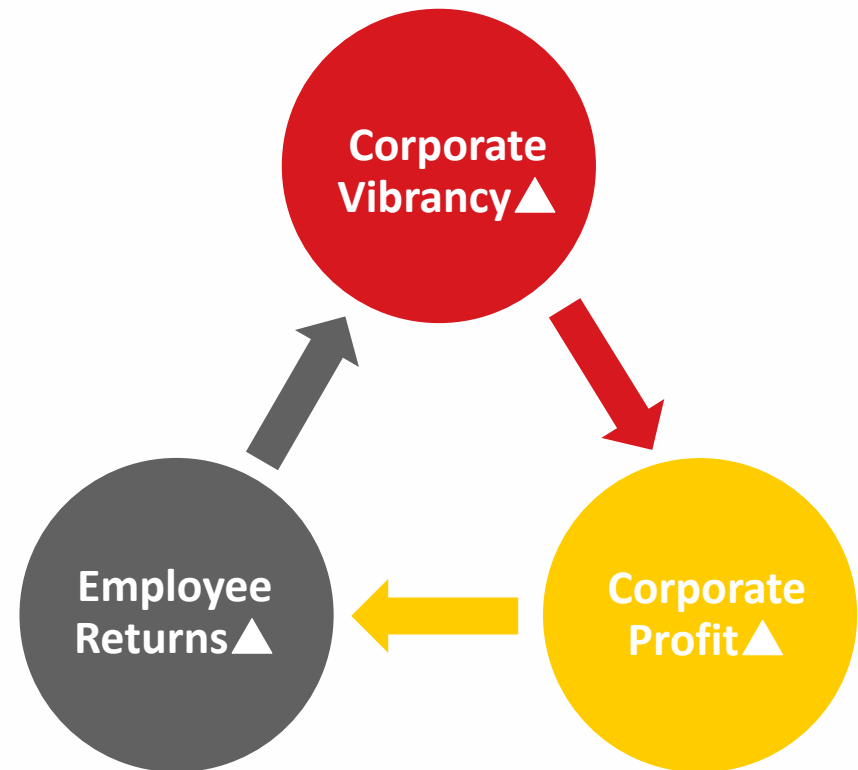
- In order to better satisfy the internal operation and management requirements, revenue from sales of products associated with the ICT business, which was previously recorded as part of the fixed-line service revenue, has been reclassified as part of the revenue from sales of telecommunications products. The related figures for 2016 have also been restated.
- Costs of telecommunications products sold in 2017 was RMB26,643 mil, down by 32.2% YoY. Sales of telecommunications products was RMB25,814 mil, down by 28.6% YoY. Loss on telecommunications products sales was RMB829 mil, among which RMB1,255 mil was handset subsidy.

Strengthen Performance-based Incentives to Lift Vibrancy

“ To deliver a virtuous cycle with mutual growth of corporate & employee returns ”

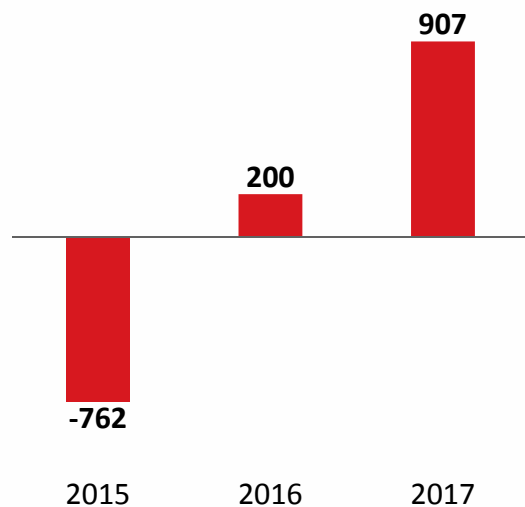
Market-oriented & performance-based remuneration system

- Financial metrics-based appraisal: profit, free cash flow & EVA, etc.
- Share of incremental return: pay-for-performance without ceiling
- Sub-division & contract-out reform providing a startup-like platform for front-line staff to create wealth by working hard
- Unicom A Share Company employee share incentive scheme prescribed stringent unlocking conditions linked with future performance



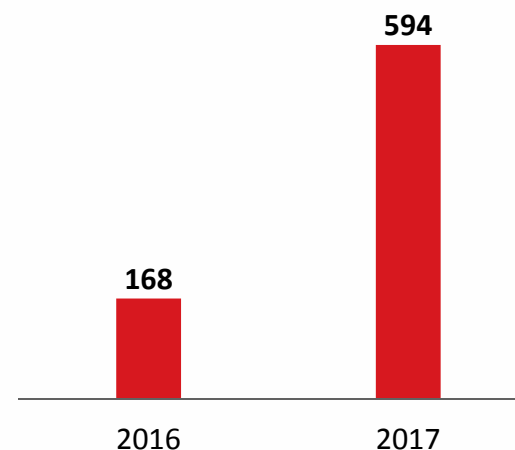
Increasing Contribution from Associates & Joint Ventures

Share of Net Profit of TowerCo
(RMB Mil)



- **TowerCo:** benefit from increasing network scale of operators & value enhancement from tower sharing
- **China Unicom:** potentially benefit from the future profit & value enhancement of TowerCo

Share of Net Profit of MUCF¹
(RMB Mil)



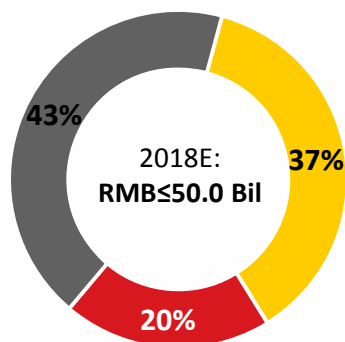
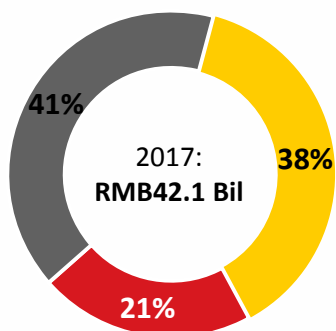
- 2017 loan amount of RMB226.8 bil & registered credit users of 16.62 mil (▲136%)
- Loan balance: RMB46.8 bil (▲157%)
- Non-performing loan ratio substantially lower than the peer average
- Benefited from enhanced capability on Big Data, risk management & integrated Internet-oriented operation

Note:

1. MUCF denotes Merchants Union Consumer Finance.

Demand & Return-Driven Investment

CAPEX Structure



- Mobile network
- Fixed-line broadband & data
- Infrastructure, transmission & others

- Focus on key cities, 4G network and regions with high data traffic & returns
- Leverage Big Data to identify traffic hotspots for precise capacity expansion
- Step up investment in innovative business

- 4G BTS:
 - 2017: 850K (▲110K), focus on network expansion & quality enhancement
 - 2018E: net addition ≈2017's level, focus on capacity expansion & experience enhancement
- Actively deploy 10G PON & other new technologies in Northern China to progressively achieve 1,000 Mbps access capability
- Actively deploy new technology (e.g. SDN/NFV) to transform network to be Cloud-based, intelligent, open & ubiquitous, while building up infrastructure resources like transmission, cell site & equipment room for 5G
- 2018E: to achieve NB-IoT nationwide coverage & roll out eMTC commercial network deployment as appropriate

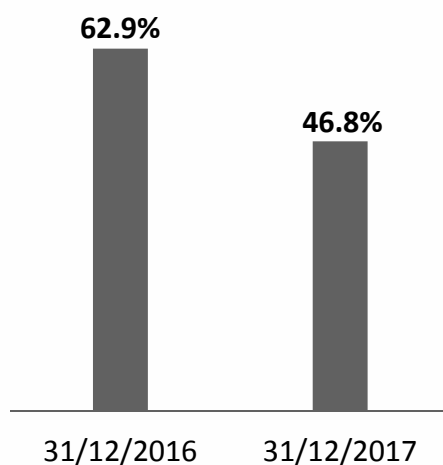
Substantially Improved Financial Strength

(RMB Bil)	
Placement of shares to parent company	75.0
Free cash flow	42.9

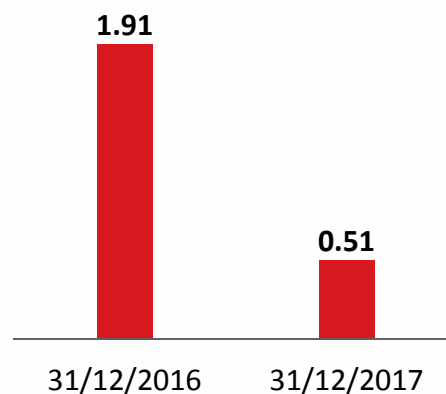


- Boost future investment & financing capacity to promote growth
- Lower gearing & finance costs
- Enhance risk control capability

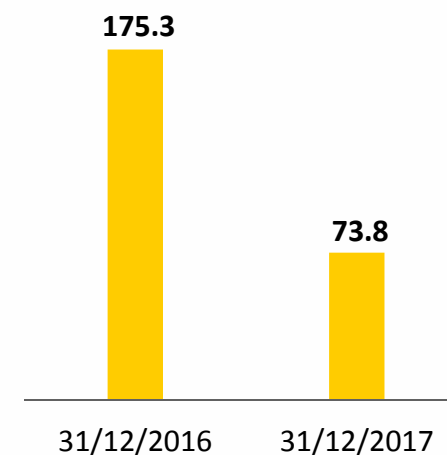
Liabilities-to-Assets Ratio



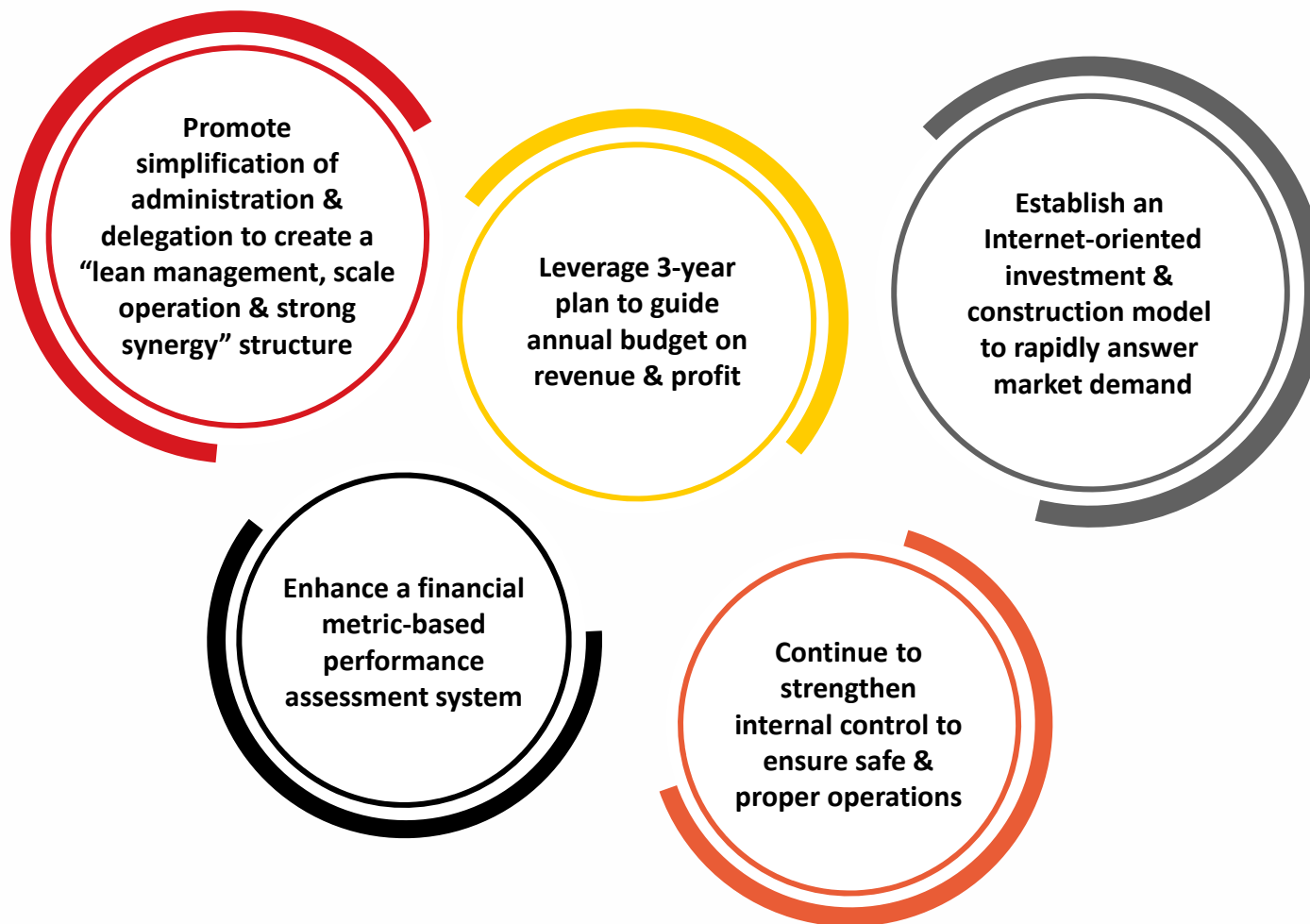
Net Debt/EBITDA



Interest-bearing Debts (RMB Bil)



To Elevate Shareholder Value through Quality & Efficiency Enhancement



Thank You!



Appendix I: Extracts from Audited Consolidated Statement of Financial Position as at 2017.12.31

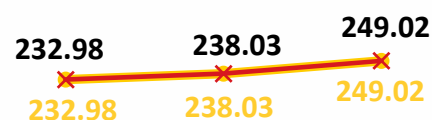
(RMB Mil)	2016.12.31	2017.12.31
Current Assets	82,218	76,722
Non-current Assets	531,936	495,261
Total Assets	614,154	571,983
Current Liabilities	342,655	242,622
Non-current Liabilities	43,817	25,014
Total Liabilities	386,472	267,636
Total Equity	227,682	304,347

Appendix II: Key Operating Metrics

		Unit	2016	2017
Mobile Business	Billing Subscribers	Mil	263.82	284.16
	Billing Subscriber ARPU	RMB	46.4	48.0
	Handset User MOU	Mins	279	258
	Total Handset Data Traffic	Bil MB	1,608	7,786
	Handset User DOU	MB	530	2,433
Incl.: 4G	Subscribers	Mil	104.55	174.88
	ARPU	RMB	76.4	63.4
	DOU	MB	1,521	4,522
Fixed-line Broadband Business	Subscribers	Mil	75.24	76.54
	Access ARPU	RMB	49.4	46.3
Fixed-line Local Access Business	Subscribers	Mil	66.65	60.00
	ARPU	RMB	17.1	15.8

Appendix III: Historical Financial Data of Unicom Red Chip Company vs Unicom A Share Company

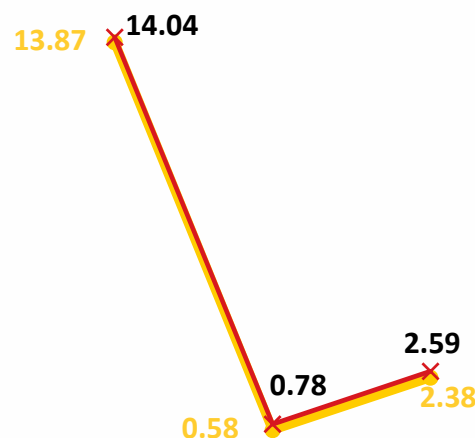
Service Revenue
(RMB Bil)



2015 2016 2017

● Unicom A Share Company
✕ Unicom Red Chip Company

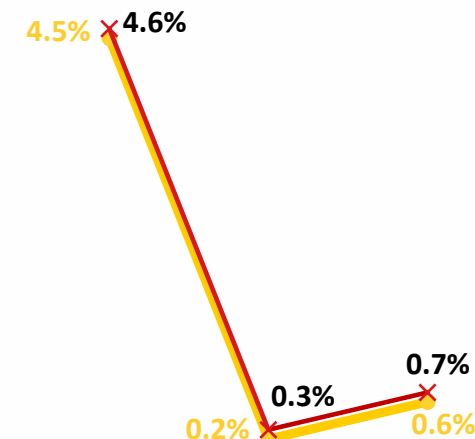
Pre-tax Profit
(RMB Bil)



2015 2016 2017

● Unicom A Share Company
✕ Unicom Red Chip Company

ROE



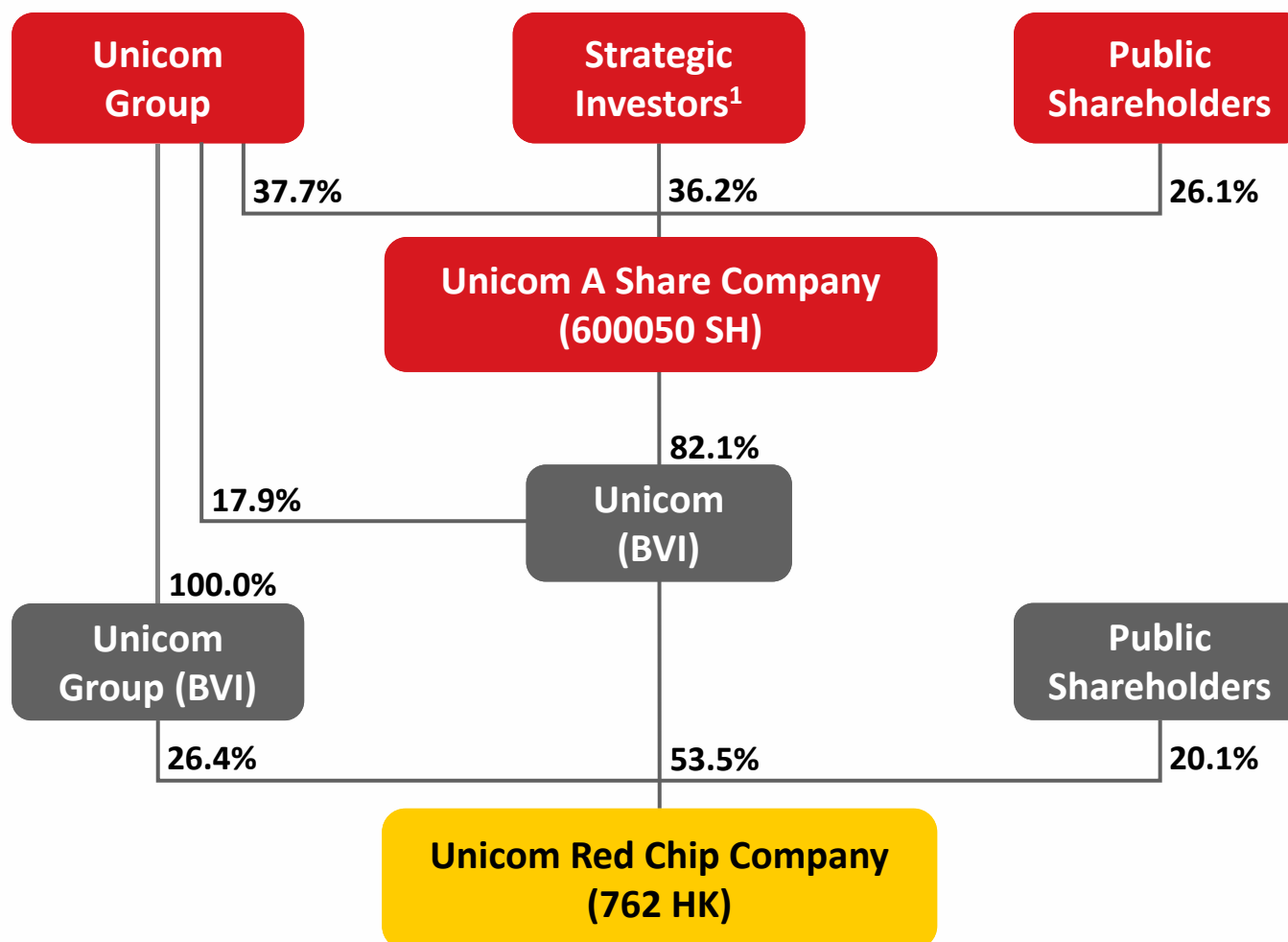
2015 2016 2017

● Unicom A Share Company
✕ Unicom Red Chip Company

Note:

The scope of business of Unicom A Share Company is limited to the holding of Unicom Red Chip Company's shares via China Unicom (BVI) Limited and it does not directly operate any other businesses. Unicom A Share Company prepares consolidated financial statements by consolidating the Unicom Red Chip Company's accounts in accordance with PRC accounting standards whereas Unicom Red Chip Company prepares financial statements in accordance with International/Hong Kong Financial Reporting Standards. Due to the difference in accounting standards adopted, there may exist discrepancies between the financial indicators of the Unicom Red Chip Company and Unicom A Share Company. For the details of the differences, please refer to the "Reconciliation of Differences in Financial Statements" in Unicom A Share Company's annual reports.

Appendix IV: Shareholding Structure of China Unicom



As at 31 December 2017

Note:

1. The shares of Unicom A Share Company held by strategic investors represented the shares obtained by the strategic investors introduced by the mix-ownership reform from non-public issuance and old shares transfer.