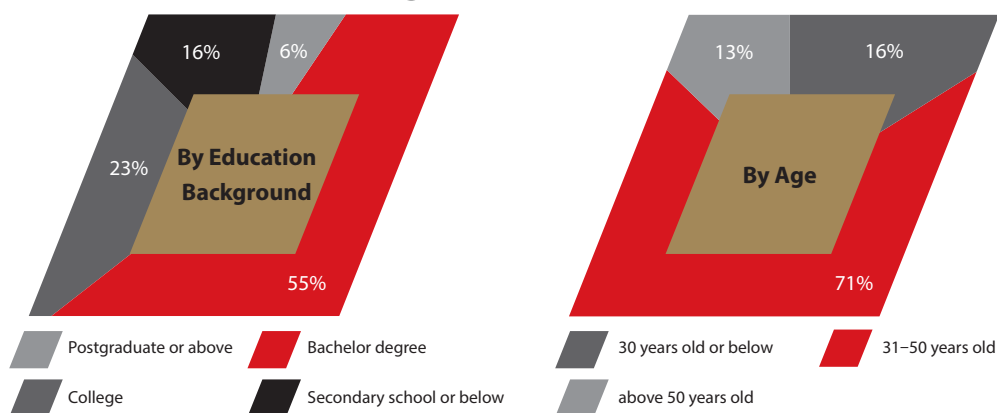



HUMAN RESOURCES DEVELOPMENT



Analysis of Staff Composition



For further details of Human Resources Development, please refer to the relevant sections of the Company's detailed Corporate Social Responsibility Report 2018 to be published in June 2019. Please visit the Company's website at www.chinaunicom.com.hk.



China Unicom adheres to its people-oriented principle and continuously upholds mechanism innovation to pursue the harmonious development between the Company and its employees. In 2018, underpinned by its Focus Strategy and taking mixed-ownership reform as an opportunity, China Unicom's human resources practice proactively adapted to Internet-oriented transformation and pushed forward in both width and depth the development of market-oriented human resources system and mechanism, promoted to achieve better "salary up and down", "staff in and out", and "post up and down" reform in an effective move to lift vibrancy to support the Company's reform and development.

Supply-side reforms in human resources have been advanced in greater depth in tandem with the major themes of "efficiency enhancement and structural adjustments". In 2018, China Unicom's employee productivity was RMB1,004,000 per staff, up by 8.7% year-on-year. 5,417 fresh university graduates were newly recruited, among which 77.2% of them majored in computer-related disciplines and 88.3% of them were allocated to innovation-related jobs. A total of 9,694 employees at all levels in the headquarter were re-deployed to frontline positions at sub-divided units for direct involvement in value creation, resulting in further optimisation in the staff quality and personnel mix of the teams.

The compensation system has been optimised to spur vitality. The Company further refined its dynamic allocation principles on employee compensation with the focus on profitability, efficiency adjustment and level regulation. Internal allocation of remuneration has been optimised, whereby the staff income may go up or down depending on their contributions to business performance. The Company further established its comprehensive incentive system with share-based compensation, which drives collective sharing of upside and downside and improves staff's sense of achievement.

The Company has been enhancing its policies of staff selection and building competent teams. Taking the pilot mixed-ownership reform as an opportunity, the Company strived to continue improving the cadre management system and building a professional high-caliber cadre team. Assessment methods have been improved to push forward market-oriented and contract-based management, achieving "post up and down" for the cadre team, and motivating them to take new responsibilities and new initiatives in the new era. China Unicom strictly complied with the staff selection and appointment standards and procedures, and has been strengthening leadership team quality in all levels while making stronger efforts to identify and cultivate outstanding young cadre officers. The Company enhanced its talent structure build-up and identified 3 talents for leadership roles, 216 expert talents, 3,540 backbone talents, 6,033 young and competitive talents, with a total of 9,792 talents from over 10 professions including IT, network optimisation, proprietary research and development, and others. The Company established Internet-oriented talent community to enhance talent value contributions and deployment efficiency. A specialised programme for training talents in the innovative areas was implemented and initiated based on the 4 working goals of "developing new mechanism, increasing volumes, improving capabilities and enhancing application". The number of talents in the innovation-related areas had increased from 7,000 to 16,000 during the year. The Company held various training courses during the year, including 17 leadership training courses, 2 medium-to-long-term off-the-job enhancement training courses for outstanding management, 186 specialised skills training courses, as well as conducting 73 technical training courses and expertise certification courses at various levels and formats, and 11,527 online courses and micro-lectures. More than 11.25 million enrolments were recorded by the online learning platform.

2018 ROLE MODEL

A hundred employee role models sang together the song of fighting spirit of "Five New" China Unicom. On 28 April 2018, China Unicom hosted an "Employee Role Model Recognition Assembly" in Beijing commending 100 employee role models and an outstanding employee role model team. Mr. Wang Xiaochu, Chairman of China Unicom, attended and made a speech during the assembly. He vividly put forward the new requirements for the people of China Unicom in the New Era: brave to be "pioneer", dare to be "explorer" and excel to be "striker". He pointed out that the Company at all levels should diligently learn and advocate the spirit of the employee role models, jointly realise the "Five New" China Unicom dream and support the "China dream" in order to start a new paradigm of China Unicom's high-quality development in the New Era.





INNOVATION

HARD WORK

DEVOTION

CRAFTSMANSHIP

TEAM WORK

For more details, please visit the Company's website at https://www.chinaunicom.com.hk/en/about/our_people.php.