

## China Unicom 2017 Annual Work Conference Highlights

China Unicom 2017 Annual Work Conference was held in Beijing on 21 December, 2016. The conference called for fully deepening the implementation of “Focus Strategies” and persistently driving for scale and economical development as main theme, leveraging Party establishment, promoting growth, controlling costs and reforming the mechanism to bring China Unicom to the path of healthy development.

Mr. Chen Zhaoxiong, Deputy Minister of Ministry of Industry and Information Technology (MIIT), attended the conference and made important remarks. Mr. Zhang Feng, Chief Engineer of MIIT attended the conference. Mr. Wang Xiaochu, Chairman of China Unicom addressed the annual work conference while Mr. Lu Yimin, President of China Unicom presented the work report.



Mr. Chen Zhaoxiong, Deputy Minister of MIIT fully affirmed the performance of China Unicom in 2016.

Mr. Chen Zhaoxiong reviewed the overall development of the information and telecommunications industry and the work progress of MIIT in 2016, and conveyed the basic consideration for the work of MIIT in 2017. He fully affirmed the performance of China Unicom in 2016 and stated that China Unicom had earnestly implemented important national policies, such as “Internet Superpower”, “Speed Upgrade, Tariff Reduction”, “Internet+”, etc., leading to the continued upgrade of network service and quality; achieved breakthrough in operation and service with the overall results continuing to improve; and actively explored innovative cooperation models to promote the overall industry value enhancement. He acknowledged China Unicom thoroughly fulfilled cooperate social responsibility with the quality of service further improved; and made new progress on the Party establishment and created a culture of integrity. Mr.

Chen hoped that the work of China Unicom in 2017, taking into account its own practical circumstances, can actively implement the national strategies and the requirements set out by the authorities such as MIIT, SASAC, etc. by expanding its network deployment continuously for a solid foundation for development, promoting integrated and innovative services to enhance the core competitiveness, protecting Internet information security in honouring social responsibility, enhancing customer service for the benefits of the community, and implementing comprehensive strict governance on the Party to strengthen Party establishment work, striving to begin a new growth era for China Unicom.



Mr. Wang Xiaochu, Chairman of China Unicom, addressed the conference

Mr. Wang Xiaochu addressed that in 2016, China Unicom had thoroughly implemented the initiatives deployed by the supervising authorities and the Central government and had been guided by the new development concept of innovation, coordination, eco-friendliness and open sharing in deepening the implementation of “Focus Strategies”. It strived for mitigating the underlying shortcomings of 4G network, achieved breakthrough in the terminal supply bottleneck, explored the new avenue of target marketing, sped up delegation and simplification of administration and system reform, and persistently enhanced the Party establishment and anti-corruption. New progress has been made in various aspects of work and the Company’s operation has been under steady progress. Mr. Wang Xiaochu set out requirements in 2017 that all the staff members will continue to deepen the implementation of “Focus Strategies”, strengthen the Party establishment, promote growth, control cost and reform the mechanism, on a problem oriented basis, to promote the healthy development of China Unicom. The Company will drive the mutual promotion of Party establishment and business while incorporating corporate culture establishment into various operating aspects to further unify mindset and efforts. The Company will focus firmly on operation development to persistently drive the

transformation of the operating model of the fundamental business, and accelerate scale and economical development of innovative businesses. With the advancement of supply-side structural reform as the key objective, the Company will earnestly perform five major tasks, namely, “cutting excess capacity, destocking, de-leveraging, lowering costs and mitigating shortcomings”. It will control costs with utmost determination, enhance investment efficiency, and push forward the quality and efficiency improvement of “six networks”, including mobile, broadband, innovation, sales and marketing, IT and human resources, in order to accelerate enhancement in corporate return. The Company will seriously follow the work requirements prescribed by State Council and SASAC as regards streamlining the structure of centrally state-owned enterprises by reasonable control of management tiers and reducing the number of legal entities in order to achieve a lean and highly efficient management structure. Striving to attain and leverage pilot-run on mixed-ownership reform, the Company aims to develop truly market-driven mechanism, and further promote simplified administration with increased delegation in order to uplift corporate vibrancy.



Mr. Lu Yimin, President of China Unicom, presented the work report.

Mr. Lu Yimin, President of China Unicom, presented the work report to conclude the work of China Unicom in different aspects in 2016. He pointed out that the whole Company was dedicated to implementing Focus Strategies in 2016 and its business had initially stopped deteriorating and turned stable. It sped up mitigating underlying shortcomings in its 4G network, resulting in substantial improvement in network capability. The Company implemented supply-side structural reform according to its own circumstances, fully embraced deep cooperation among operators under the theme of “Co-Build and Co-Share Resources to Enhance Customer Services”, and proactively explored cooperation with Internet companies to create new customer consumption experience. It deepened innovation in system and mechanism, strengthened corporate

management, and implemented key customer issues flagging and de-flagging system to enhance customer service quality and perception. It also actively implemented the “two responsibilities” of main party and supervision and extended the comprehensive strict governance on the Party to basic units. Planning for the work ahead in 2017, President Lu said that the year of 2017 is a critical year for China’s implementation of the “13th Five-Year Plan”, and also a critical year for China Unicom to accelerate the implementation of Focus Strategies. The whole Company has to strengthen the determination in upholding the strategies and execution capability, continue to deepen implementation of Focus Strategies, and firmly follow the work requirements of “Strengthen Party establishment, promote growth, control costs and reform mechanism” throughout the year, strengthen establishment of corporate fundamentals and general capability, persistently advance the effective and successful implementation of various strategic deployment and measures surrounding Focus, Cooperation and Innovation. First, transform operating model and accelerate business development: the Company will focus on operating model upgrade to expedite 4G business development with full strength; also focus on service capability enhancement to achieve effective development in broadband business; and focus on platform-based industrial Internet and strengthen service support capability for innovation business to establish new revenue growth drivers. Second, step up cost control and reinforce fundamental management: the Company will fully implement “excess capacity reduction” and “destocking” in investment; strengthen support to increase operating efficiency and service capability; speed up reform in various aspects to stimulate corporate vibrancy; enhance quality and efficiency and greatly bolster fundamental management capability; and strengthen corporate Party establishment, anti-corruption and corporate culture development to safeguard healthy growth of the corporate.



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