

## Key Highlights of China Unicom's 2020 Work Conference

China Unicom's 2020 Work Conference was held in Beijing on 17 - 18 December 2019. Mr. Chen Zhaoxiong, Deputy Minister of the Ministry of Industry and Information Technology (MIIT), attended and spoke at the conference. Senior officials of the relevant bureaus of MIIT and National Audit Office attended the conference.



*Mr. Chen Zhaoxiong, Deputy Minister of MIIT, attended and spoke at the conference*

In his speech, Mr. Chen Zhaoxiong fully recognised the achievements made by China Unicom in 2019, introduced the development of the information and communication industry in 2019 and presented the relevant work arrangement of MIIT in 2020. He pointed out that facing the complex and ever-changing internal and external environment and the arduous tasks of corporate reform, transformation and development, China Unicom made a large number of prominent achievements. It fully implemented major decisions and deployments, deepened mixed-ownership reform, promoted 5G network construction and scale commercial operation in an orderly manner. It accelerated the pace of high-quality corporate development, and continued to improve its operation, becoming a pioneer model for the reform of state-owned enterprises. Mr. Chen Zhaoxiong emphasised that China's information and communication industry was currently at a new historical starting point and faced many new requirements, new opportunities and new challenges. It must adhere to the general principle of advancing with stability, the new development philosophy, the supply-side structural reform as the main line while scientifically grasping the development trend of the industry to devise overall planning and deliberately promote the high-quality development of China's information and communication industry. It is hoped that China Unicom will continue to deepen the reform of system and mechanism, accelerate the construction of 5G network, continuously improve service quality and standard, vigorously

explore new market space, and strive to create a new paradigm of high-quality development.

Mr. Wang Xiaochu, Chairman of China Unicom, delivered a speech at the conference and Mr. Li Guohua, President of China Unicom, presented a work report.



*Mr. Wang Xiaochu, Chairman of China Unicom, delivered a speech at the conference*



*Mr. Li Guohua, President of China Unicom, presented a work report*

It was considered by the conference that 2019 was another extraordinary year in the development of China Unicom. It actively responded to the complex situation and the short

term pain of transformation, deeply implemented the new development philosophy, while resolutely implementing the requirements of high-quality development. It actively promoted the ecological development of the industry, and strongly implemented 5G network “co-build co-share”. It continued to deepen the mixed-ownership reform, constantly strengthened China Unicom’s “Five New” establishment, while achieving strides in various corporate works and breakthrough advance in the planning and deployment in some key areas. Firstly, the Company confronted the new challenges and new requirements brought by the industry development, and achieved initial progress in business transformation. The Company continued to promote resolutely the ecological development of the industry and made positive contributions to the rectification of vicious competition in the telecommunications industry through extensive efforts. The Company continued to promote resolutely the transformation of business model to drive revenue steady-to-rising with continuously improving effectiveness. Some business areas and regions had shown a favourable development trend. The Company continued to replace some old growth drivers with new ones, vigorously explored the development potential of the government and enterprise market, and achieved rapid growth in innovative business. The Company continued to implement people-oriented development mindset, and successfully implemented the requirements of “speed upgrade and tariff reduction” and “mobile number portability”, with remarkable results in system and process optimisation and continuous improvement in service reputation. Secondly, the Company deepened the implementation of the Cyber Superpower strategy and achieved significant breakthrough in the construction of the next-generation information and communication infrastructure. China Unicom deliberated to undertake the mission to act as the key player for Cyber Superpower strategy. The Company deeply implemented the new development philosophy and made breakthrough progress in 5G development with the new model of “co-build co-share”. The Company further promoted the construction of infrastructure capacity and significantly improved network quality and system capability. Thirdly, the Company promoted mixed-ownership reform in depth and continuously stimulated the vitality of micro business units. The Company continued to deepen organisational streamlining, and promoted the iteration upgrade of sub-division reform. It expanded the scope of socialised cooperative partnership, continued to reform the management organisation, and comprehensively promoted the human resources reform.

It was pointed out by the conference that 2020 will be a critical year for China Unicom to further deepen the implementation of the Focus Strategy, deepen the mixed-ownership reform, and achieve the high-quality development through innovation and transformation, with both opportunities and challenges. After three years of efforts in implementing the Focus Strategy, China Unicom has enhanced its overall competitive strength and laid a solid foundation for future development. The work of China Unicom in 2020 needs to closely adhere to the general principle of advancing with stability and the new development philosophy, leveraging reform and open-up as drivers. It will stay determined in the Strategy of Focus, Innovation and Cooperation, and uphold the theme of “enhancing value, seeking growth, emphasising fundamental and showing passion”. It will accelerate the transformation of products, channels and innovation, focus on improving the three capabilities of network, IT and corporate governance. It will promote the mixed-ownership reform in depth, promote the comprehensive Internet-oriented operation in a solid way to

establish China Unicom’s “Five New” and strive to create a new paradigm of high-quality development. It was put forward by the conference that, in line with the above work requirements and in accordance with the three-year performance commitment and requirement set out under mixed-ownership reform, China Unicom will strive for steady growth in operating results with overall enhancement in development quality and continuous improvement in service standards in 2020.

It was emphasised by the conference that the work of 2020 should be well performed, and all members of China Unicom should firmly implement the spirit of the Central Economic Work Conference. Firstly, the Company will firmly unify its understanding of the implementation of new development philosophy and practically optimise the industry ecology. The Company will firmly promote the continuous and in-depth implementation of the philosophy of “innovation, coordination, green, openness and sharing”, cultivate growth drivers, strengthen core capabilities and consolidate the differentiated advantages of Internet-oriented operation with innovation as the driving force. It will promote network “co-build co-share” through open cooperation and comprehensively improve the industry ecology, so as to enhance corporate value. The Company will take the implementation of new development philosophy as an important assessment for officers at all levels. Secondly, the Company will firmly unify its understanding of achieving high-quality development and practically put the transformation of development model into action. Adhering to the principle of “growth as the first priority”, the Company will thoroughly change the traditional operational thinking and step up efforts in transformation, so as to achieve three changes in operating model, namely development model, competition model and sales model. The Company will shift the development model from a relatively loose one with excessive focus on scale and volume to the one focusing on efficiency and high-quality refined development. The competition strategy will shift from over-emphasis on price competition in gaining customers to winning customers through the optimisation of products, contents and services. The sales model will shift from a cost-driven approach with over-reliance on high commission, high subsidies and high incentives, to value-oriented operation with focus on cost and return, preventing from excessive costs over revenue, and enhancing development quality. Thirdly, the Company will firmly unify its understanding of practicing people-oriented development philosophy and practically improve its service. As a state-owned enterprise, the Company is conscious of its social responsibilities and is determined to tackle the “three major battles” to help solve people’s livelihood problems. The Company will thoroughly implement the “Three Alls” business philosophy and firmly solve the shortcomings in network quality, product application, business rules, channel touch points, IT billing and production process, etc. to continuously improve service quality and standard. It was put forward by the conference that in 2020, the Company will focus on six tasks. Firstly, the Company will accelerate the transformation of consumer market products. Secondly, the Company will foster the transformation of channels to improve quality. Thirdly, the Company will speed up the innovation and transformation of government and enterprises business. Fourthly, the Company will improve network competitiveness. Fifthly, the Company will strengthen its centralised IT support capability. Sixthly, the Company will enhance its corporate governance capability.

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