

For 5G deployment, Beijing will be a key city for the 5G trial in network construction while exploring for new business models. Leveraging the mixed-ownership reform, step up to nurture and enhancing high-quality 5G innovative development will empower new energy. With the spirits of Winter Olympics, efforts are made on all fronts to turn “Smart Winter Olympics” into a new signature for the capital city.



Beijing 2022 Partner Club Launch Ceremony

On 31 October 2018, a signing ceremony was held for the strategic cooperation agreement between China Unicom and Shougang Group, pursuant to which the two groups will join forces to develop Shougang Park into China's first 5G showcase industry park. With enhanced cooperation in the 5G industry park construction, smart industry park planning and design, as well as application showcases, strategic cooperation has been carried out in joint brand marketing, international business cooperation, promotion of the Olympic culture, winter sports development, and others.



China Unicom has launched a 4-year “Campus Winter Olympics Programmes” aiming to further promote the spirits of the Olympics among teenagers and students, as well as to popularise Winter Olympics related knowledge and culture. The first programme known as “China Unicom Winter Dream Ambassador on Campus” has begun.



## 🏠 FEATURE STORY V: SERVING THE “BELT AND ROAD” INITIATIVE

### 🏠 Enhancing “Belt and Road” servicing capabilities

With a view to deepen implementation of the “Belt and Road” initiative, China Unicom is committed to the provision of customised and butler-style communication and information services with high security, swift response, end-to-end excellence in experience and flexibility through China Unicom Global, in line with its vision of becoming “an expert in international information services trusted by customers”. In this connection, more than 30 branches were set up around the world to provide global customers with integrated information services in unified domestic and overseas operations, as well as global coverage on an end-to-end basis. Global voice and data services are also being provided to individual international customers.

#### 🕒 Expanding the “Belt and Road” coverage

- 14 PoPs along the “Belt and Road” route and 57 PoPs globally covering 21 countries and regions.
- 17 new vPoPs through cooperation, covering 14 African cities.
- 5 new branches were set up, completing system expansion for the China-Mongolia and China-Russia routes, while achieving first connection with Pakistan operators and 100G cross-border connection with Mytel of Myanmar.
- Laying of cross-border optical cable measuring a total of 50.2 km for Hong Kong-Zhuhai-Macau Bridge and to provide a large-capacity, high-security and low-latency information passage for cross-border communication among Guangdong, Hong Kong and Macau.

#### 🕒 Diverse international deployment of optical cables

- Additional capacity of 410G cross-border land cables to bring the total capacity of owned cross-border land cables to 9.895T.
- Additional capacity of 3.67T proprietary submarine cables to bring the total capacity of independently built submarine cables in operation to 21.7T.

#### 🕒 Enhancing outgoing international Internet connection capability of Africa

- The South Atlantic Inter Link (SAIL), the first inter-continental direct submarine cable connecting Africa and South America across the South Atlantic constructed under the lead management of China Unicom, was in full operation on 4 September 2018 to further enhance the outgoing international Internet connection capability of Africa.

◎ Ongoing expansion in services scale

• Long-term partnerships established with more than 300 international carriers to provide global connection and ICT services to over 1,000 corporate customers while serving more than 460,000 international mobile users.

🌐 **Providing favourable “Belt and Road” offers**

China Unicom offers innovative products and services with favourable terms in places where it operates and provides information and communication service solutions to Chinese enterprises “going abroad”.

• To address requirements of Chinese companies in their early stage of international business development, the “business start-up pack” is the one-stop information service solution for companies to commence operations.

• A low-latency premium financial lease line product was launched to address the needs of financial clients, while Ali Cloud services were rolled out with Alibaba.

• MVNO services are being provided in Hong Kong, the United Kingdom and the United States with a range of promotional offers, including

promotion for new customers, concessionary travel cards, offers relating to mobile number portability and special festive concessions, etc.

• We serve “going abroad” companies and have provided services to more than 600 companies with overseas operations, offering services of 1.5T bandwidth packets with access to close to 100 countries to ensure efficient and convenient international communication and value-added service for a massive number of enterprises.



Concessionary packages offered on CUUniq Hong Kong website



Concessionary packages offered on CUUniq UK website



Concessionary packages offered on CUUniq US website

🌐 **Exploring cooperation under the “Belt and Road” ecology**

China Unicom has rolled out extensive cooperation with industry peers, procuring rapid coverage of business blind spots under the asset-light model by close association of resources and complementary actions to explore emerging markets in driving business development.

• We teamed up with PCCW on VPOP in Africa to extend our network to Africa, now covering 11 countries, 14 cities and 17 POPs in the continent, while benefiting from the strengths in network structure, latency and price regime of the African network, further enabling us to provide premium and efficient services to SMEs.

• Using our independently built NCP submarine cable to cooperate with Google and achieved leaping growth in resources towards Japan and America by way of resource swapping, namely, by swapping “inventory” to “additions”, in a move that has enhanced resource efficiency and formed an overall resource footprint marked by three bandwidths across the Atlantic, namely, TPE, NCP and FASTER.

• Partnering with China Telecom and others in the joint construction of the Hong Kong-America (HKA) international submarine optical cable, which is scheduled for commissioning by the end of 2020.

• Cooperation with BAT to expand building of additional POPs in Singapore and Korea, to further extend the network coverage.

• A joint venture cloud-network integration cooperation project was launched in Thailand to enhance China Unicom’s cloud ability and advantage in the overseas market.

• We actively participate in global industry conferences and exhibitions, as well as industry award nominations, in order to demonstrate our premium information solutions and services to the world.

🌐 **Persisting in localised operations**

◎ Stringent adherence to laws and regulations of the countries where we operate

• All operating activities are conducted in a legally compliant manner in strict accordance with laws and regulations of respective countries and regions, including the “Company Law of the People’s Republic of China”, the “Labour Law of the People’s Republic of China” and the “Employment Ordinance of Hong Kong”, among others. In staff recruitment, any act of discrimination in connection with race, colour, gender or age is prohibited and no child labour or forced labour in any form will be tolerated. Forms and information disclosure are submitted to the governance departments of the Company and licensing and regulatory authorities according to designated schedules. While showing respect to the society and culture at where the operations are conducted, the supervision and audit department also has set up a hotline and mailbox to receive complaints against unjust treatments. There has not been any incidents relating to the infringement of aboriginal rights to-date.

• To avoid to have transactions with countries which are under sanctions, preventive measures have been taken to conduct full-scale inspection and review on internal control policies and related transactions. High-risk transactions, once identified, will be terminated as soon as practicable.

• Full respect for diverse races and cultures and equal employment opportunities are being offered to foster a harmonious working environment. In addition to hiring employees of Chinese descent, Singaporean, Malaysian, Filipino, Indonesian and Burmese are hired in South Asia Pacific regions, in an effort to contribute to racial harmony in these regions.

◎ Highly regard honest operations

• The “Belt and Road” initiative and branding of Chinese operators have been promoted in world-renowned social media, including Facebook, Twitter, LinkedIn and YouTube.

• In the past three years, we have placed a strong emphasis on domestic and overseas media promotion, with more than 3,000 releases published in domestic media including Xinhuanet, CNR, www.toutiao.com, Tencent, Sina, NetEase, and C114, as well as in overseas media including Ta Kung Pao, Bloomberg, Thomson Reuters, and Yahoo.

- We actively participated in professional conferences and industry forums, such as the CIO Summit Singapore, Fintech CIO Forum Kuala Lumpur, PTC 2018, Capacity Asia 2018 and ACC2018.
- We actively involved in the initiatives organised by China Enterprise Association since being elected to its council in 2018.
- ◎ Localised procurement
  - We adopt localised procurement and work actively with local operators to jointly provide packet network services, including maintenance, insurance, legal consultation, property, lunch meals and shuttle bus services, which are all locally procured.
- ◎ Staff localisation
  - As at the end of 2018, China Unicom Global had 851 employees, out of which 696 were based in overseas locations, including 257 foreign employees and 252 female employees overseas.

## 🏠 CORPORATE CULTURE

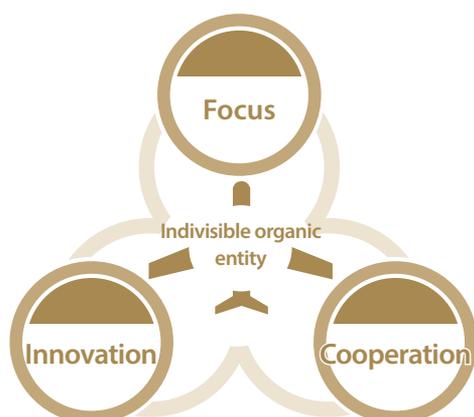
In 2018, China Unicom continued to engage in a corporate culture development exercise with intensive effort to drive the building of corporate culture as a means to strengthen the enterprise. The China Unicom corporate culture system comprises a core value system, including the Company's vision, mission, core values and business management philosophy, as well as code of conduct formed by the "Prohibitions of Behaviours" and the Basic Codes of Conduct.



## 🏠 DEVELOPMENT STRATEGY

In meticulous implementation of the development philosophy of "innovation, coordination, eco-friendliness, openness and sharing", China Unicom, leveraging its edges and resources to improve and optimise its development strategy, proposed the comprehensive implementation of the Focus Strategy centred on focus, cooperation and innovation to develop the "China Unicom's Five New", in order to cope with the complex and profound changes taking place inside and outside the Company. China Unicom persists in focusing on key businesses, regions and targeted customer groups, as well as the innovation of consumer Internet and industry Internet, international development, market-oriented system and mechanism, and talent teams, while adhering in cooperating with strategic investors, industry peers and manufacturers. The Company has adopted strong measures in relation to New DNA, New Governance, New Operation, New Energy and New Ecology to drive the implementation of strategies.

Year 2018 was a year of ongoing deepening of mixed-ownership reform, accelerated development in Internet-oriented operations, and building-out of the "Five New" establishment for China Unicom. The business development of the Company saw a historic turn where business transformation took solid steps forward, while profound changes in systems and mechanisms were in place, as we successfully set a benchmark for the mixed-ownership reform of central state-owned enterprises. In the future, the Company will continue to uphold and maintain its strategic steadfastness, while strengthening the enterprise through corporate culture, foster solidarity among staff and intensify reforms in an incessant effort to forge the revamped image of the "China Unicom's Five New".



**Effective development of fundamental business, key breakthroughs in innovative business, improvements in systems and mechanisms, comprehensive enhancements in customer experience, brand influence, operational management and the comprehensive enhancement of value creation, striving to be world-class enterprise with global competitiveness.**

NEW GOVERNANCE	NEW ECOLOGY	NEW ENERGY
	NEW OPERATION	
NEW DNA		

Strategic Framework of China Unicom