



MESSAGE FROM CHAIRMAN

The year of 2021 was a milestone year in the Chinese history, and has also been an important year for China Unicom to formulate its new strategy and start a new journey. In the face of the impact of the unprecedented pandemic, faster evolution of landscape in the past century, and more complex, severe and uncertain external environment, we resolutely implemented the national strategic deployments, bravely assumed economic, social, environmental as well as technological innovation responsibilities, and embarked on a new journey of high-quality development with new positioning, new strategy and new paradigm. We have demonstrated our new responsibilities in serving the implementation of major national strategies, the needs of people's high-quality life and the transformation and upgrade of thousands of industries, showing new achievements in the beginning year of the "14th Five-Year Plan".

Keeping the top priorities of China in mind, formulating strategies to break new ground. Facing the requirements of the new development stage of the country, China Unicom fully, accurately and comprehensively implemented the new development concept, actively served the construction of a new development paradigm, and shouldered the mission and responsibility of building a Technological Superpower, Cyber Superpower, Digital China and Smart Society. We closely followed the new round of technological revolution and industrial transformation trends, scientifically planned the Company's positioning and development direction, accurately grasped the "timing" and "trend". We formulated the "1 + 8 + 2" strategic planning system, put forward the new strategy of "Strengthen and Solidify, Preserve and Innovate, Integrate and Open", focused on the five main responsibilities and main businesses of "Big Connectivity, Big Computing, Big Data, Big Application, and Big Security", and strived to build "the national team in the operation and service of digital information infrastructure, the key force in the establishment of Cyber Superpower, Digital China and Smart Society, and the frontline troop in the integration and innovation of digital technologies", so as to gather the mighty force to embark on a new journey and forge ahead in the new era. New achievements were made in high-quality development, as our economic performance hit a record high and our business structure continued to be optimised, contributing China Unicom's strength to the "six stabilities" and "six guarantees" and fully demonstrated our role as a "stabiliser and ballast" of the national economy. New breakthroughs were made in digital and intelligent operation, as we built the world's largest, most advanced and ultra-large-scale centralised IT system. The "five middle platforms" of public, government and enterprise, data, network and management were initially established, and the "Intelligence Brain" was officially released, which efficiently empowered thousands of scenarios and industries. The Company vigorously promoted the digital transformation of the supply chain, with our supply chain management ranked one of the leading supply chain management systems among central state-owned enterprises and was selected as an advanced supply chain model unit by the Ministry of Commerce.

Endeavoring in digital channels and reinforcing the foundation to cultivate corporate momentum. We developed ourselves in the main course of digital economy at full strength and achieved total transformation and upgrade of development momentum, path and mode. The Company accelerated the construction of intelligent and comprehensive digital information infrastructure that is high-speed and ubiquitous, cloud-network integrated, intelligent and agile, green and low-carbon, secure and controllable. The Company provided communication support to 192 "cloud diplomacy" of government officials and 31 major events such as the China International Import Expo, empowered the smart Winter Olympics with high standards and strengthen our brand as "No. 1 provider of communication support". The Company comprehensively promoted the deployment of "dual-gigabit" network and built the fastest 5G SA network in the world. The Company's gigabit broadband network covered 110 million customers, and ranked first in the industry in Northern China in terms of broadband speed. The Company helped narrow the digital divide with 100% mobile coverage in towns and villages, creating an unobstructed information channel for economic and social development. The Company

actively implemented the “Eastern Data, Western Computing” project to create a computing power network with advanced architecture, security, reliability and excellent service. The Company built a new “5 + 4 + 31 + X” data centre system and revamped the branding of Unicom Cloud. Through coordinated data-network, data-cloud and cloud-edge development, we strengthened the computing power engine for high-quality economic and social development. Leveraging the advantages of cloud, Big Data, IoT, AI, blockchain and security integration, we unleashed the value of data, served the country’s macroeconomic monitoring and collaborative governance, and deeply supported local governments’ data governance and data security services. We supported the “Cloudification, Digital Transformation, Intelligence Enablement” of thousands of industries, deeply implemented the 5G Applications “Sailing” action plan, and won 94 awards in the “Blooming Cup” competition held by the Ministry of Industry and Information Technology. The Company implemented the overall national security concept and strengthened the defense line of network information security. The number of scam calls decreased by 49% year-on-year, and the Company’s Big Data anti-fraud capability led in the industry. We insisted on independent innovation, adhered to “four orientations” and focused on making breakthroughs in “bottleneck” core technologies, with R&D expenses increasing 61.7% year-on-year. Approved as a national engineering research centre with more than 200 self-developed application products, we have created a number of well-known star products such as government Big Data platform, industrial Internet platform, and smart city base. The Company established the Western Innovation Research Institute and the Chongqing 5G Integrated Innovation Centre to create an industry-university-research-application innovation consortium, significantly enhancing its capabilities in digital technology integration and innovation.

Upholding the People-oriented principle and uniting the public to do good deeds. China Unicom always insists on people-oriented development and endeavours to allow people enjoy the convenience of life brought by the development of digital technology, continuously enhancing people’s sense of gain, happiness and security. At critical moments, we led the charge and successfully completed the flood control and disaster relief missions in Henan, Shanxi and other places, turning China Unicom into a front-line troop. Our Big Data supported more than 4 billion “health code” enquiries, and efficiently supported the assessment by the State Council and relevant ministries on the pandemic prevention and control and the resumption of work and production, as we became a reliable force for the country. We consolidated and expanded the achievements in poverty alleviation, and continued to strive for comprehensive rural revitalization. China Unicom digital village platform served more than 153,000 administrative villages and provided services for 14,363,000 rural permanent residents. Through the use of digital live broadcast technology, we cultivated a number of rural e-commerce product brands with good reputation, excellent quality and distinctive features. We provided warm and intelligent services with focus on “the elderly and youth”, creating services with five dimensions: reliability, ease, security, warmth and satisfaction. We built agile and intelligent service capabilities by setting up 2,100 smart elderly service centres nationwide, comprehensively improving customer satisfaction. Adhering to the harmonious coexistence of human and nature, the Company vigorously promoted the R&D and application of the new energy-saving technologies. Through the 4G/5G co-build co-share, the Company saved more than 17.5 billion kWh of electricity per year, reduced carbon emissions by more than 6 million tons. We empowered green production and living style, helping to achieve carbon peaking and carbon neutrality goals. We accelerated the construction of a digital ecosystem of “multi-party co-build, complementary edges and mutual promotion, cross-sector integration, cooperation and co-existence”, and created a new ecosystem covering the innovation chain, supply chain and value chain, building a “joint fleet” together with our partners. The Company comprehensively deepened co-build co-share, drove the rapid development of the supply chain, and facilitated the macro economy stabilisation with the sustainable development of the industry.

Refining spirituality and enhancing reformation to become a first-class enterprise. China Unicom always focuses on improvement on internal management. We leveraged the key role of reformation in building a new development paradigm, strengthened reform and system integration, cleared the “blockages” that restricted productivity, with a view to overcoming difficulties, seizing opportunities and making new achievements through reform. The Company vigorously promoted corporate culture, and established the business management philosophy of creating value for customers. We are spontaneously customer-oriented, employee-friendly, attentive to quality service, inherently innovative and proud of endeavours, cultivating the spirit of long-term endeavours and building the spiritual support of China Unicom. In the three-year action plan for state-owned enterprise reform, the overall progress of 130 reform tasks reached 93%. We deepened the market-oriented reform of subsidiaries. 100% of our subsidiaries have established a board of directors, the majority of which are external directors. We comprehensively promoted the tenure system and contractual management of management members. The Company stimulated the vitality of the front-line responsibility units, and initially formed a customer-oriented operation system tailored for the front-line units, continuously improving our ability to get close to the front-line scenarios and serve and empower front-line staff. The Company deeply implemented talent-based corporate development, holistically cultivated, introduced and used talents. The total number of innovative talents in the special zone reached more than 9,000, and more than 40 industrial experts were introduced. Our talent structure continued to be optimised. The Company continued to enhance its competitiveness, innovation, control, influence and risk management, effectively preventing and resolving major risks. We continued to strengthen, optimise and expand state-owned capital, and took a solid step towards building a world-class enterprise with global competitiveness.

The year 2022 is the starting year for China Unicom to fully implement its new strategic plan. We will keep the “two imperatives” and “the country’s top priorities” in mind to implement the strategic plan as the main task, focus on the five main responsibilities and main businesses, adhere to the two-wheel drive of market and innovation, stabilise growth, optimise network, focus on reform, improve capabilities, strengthen collaboration, and prevent risks. We will continue to promote the spirit of endeavour, march forward in the road of new “challenges” with confidence, and greet the successful 20th National Congress with excellent results.

China Unicom (Hong Kong) Limited

Chairman and CEO

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