

Message from Chairman



2022 is an important year for the new journey towards the establishment of a modern socialist country and progression towards bicentenary goals, as well as the starting year for the Company to fully implement its new strategic plan. Facing the combined impact of multiple unexpected factors, the Company resolutely implemented national strategic plans, and maintained strategic determination. The Company has undertaken its responsibility as a central state-owned enterprise in major initiatives such as Cyber Superpower, Digital China, technological innovation and rural revitalization, made outstanding contributions in major events such as the Winter Olympics, the battle against the pandemic and major assurance initiatives, and devoted efforts in key challenges such as reform and transformation, making up for shortcomings and building advantages. China Unicom has contributed its wisdom, solutions and strength to promote the integration of corporate development into the sustainable development cycle of economy, society and environment.

Keeping in mind the mission of the “national team” to build a modern digital base. Keeping the top priorities of China in mind, China Unicom has accelerated the construction of an intelligent and integrated digital information infrastructure, with a view to laying a solid digital foundation for Chinese-style modernization. The Company strived to build four premium networks for 5G, broadband, government and enterprise as well as computing power. We have deployed 1 million 5G base stations and thus established a co-built and co-shared 5G network with the largest coverage, largest bandwidth, and fastest speed in the world, achieving continuous coverage of townships and regions at higher levels and effective coverage of administrative villages across the country, thereby helping to narrow the digital divide. With a gigabit fibre network covering more than 200 million households and seamless in-home coverage of gigabit WiFi, China Unicom won the Digital Home Operator of the Year Award at the World Broadband Forum. We created a premium government and enterprise network with wide coverage, low latency and high reliability, and further reduced the average tariffs of broadband and leased line for small and medium enterprises by 10%, laying a solid foundation for the digital transformation of government and enterprise customers. By implementing the “Eastern Data, Western Computing” project, we have built a premium computing power network covering 8 major hub nodes across China and computing centers in 31 provinces, creating an unobstructed information channel for economic and social development. With the successful completion of top-level communication support tasks such as the 20th National Congress, the Beijing Winter Olympics and Paralympic Games, and cloud diplomacy, China Unicom was named “Outstanding Contribution Group at the Beijing Olympics and Paralympics Winter Games” by the Central Committee of the CPC and the State Council, strengthening its brand as the “first choice of the country, government and people”. The Company implemented the overall national security concept and strengthened the defense line of cybersecurity, and achieved excellent results in major network attack and defense practical exercise. The Company made every effort to support the prevention and control of the pandemic by ensuring the security and smoothness of the entire network, the stable operation of the system and uninterrupted services, demonstrating its responsibilities as a central state-owned enterprise.

Undertaking the responsibility of the “key force” to facilitate the upgrade of modern industries. Focusing on “people’s need” and “needs of the industry”, China Unicom has been accelerating the deep integration of the digital economy and the real economy, and strives to become the “key force” and “leading player” that drives Chinese-style modernization through digital, network-based and intelligent transformation. Always adhering to the original aspiration of “people’s post and telecommunications for the people”, and to meet the demand for quality upgrade of digital consumption, China Unicom launched “eight gold and eight silver” key products, released a special service plan for senior citizens, offered diversified innovative applications involving smart education, smart medical care as well as smart culture and tourism, and promoted inclusive services for people’s livelihood. With the comprehensive upgrade of Unicom Cloud, the Company established a good reputation of “secure digital intelligent cloud”, created the No.1 brand in the field

of “5G + Industrial Internet”, and realized full coverage of 20 major application scenarios, to empower the transformation and upgrade of various industries. The Company strengthened its bond and cooperation with the government to help governments at all levels to keep up with the trend of digitalization and achieve digital transformation. The Company has undertaken the construction of 15 big data platforms for ministries and commissions as well as 12 provincial big data platforms to promote the development of local digital economy. To build the No. 1 security shield of the country, government and people for the digital economy, the Company cooperated with Pengcheng Laboratory to build the first 5G security range in China, and worked with nearly 400 partners to jointly build a “New Great Wall” for cybersecurity. The Company continued to endeavor for the comprehensive rural revitalization and build the No.1 brand for digital village. The Company fulfilled the requirements of the national “dual carbon” policy. It saved more than 17.5 billion kWh of electricity and reduced carbon emissions by more than 10 million tons per year through 4G/5G co-build and co-share. It also launched a range of green informatisation solutions for smart water conservancy, environmental monitoring and energy consumption management, to empower the green transformation of production and living and protect the natural environment of our motherland.

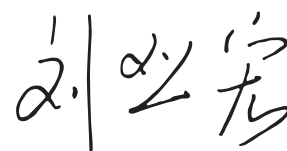
Fulfilling the role of “frontline troop” to boost the momentum of modern innovation. China Unicom is committed to becoming the “backbone of the nation” and insists that technology is the primary productive force, talents are the primary resource, and innovation is the primary driving force. Therefore, it has accelerated the transformation from a traditional operator to a technological innovation enterprise, helping to stimulate and boost the new momentum of Chinese-style modernization. The Company has made milestone progress in achieving high-level independence and competence in technologies, with an R&D investment of RMB14.38 billion and technological innovation talents ratio of 30%. With the establishment of China Unicom Science and Technology Association, the Company has engaged 16 fellows as special experts of the Science and Technology Committee. The National Engineering Research Centre for the Next Generation of Internet Broadband Business Application was selected as one of the first innovation bases under the “Innovation China” project. We supported High-Tech Winter Olympics to achieve more than 20 “historical breakthroughs” and “global firsts”. The Company launched more than 20 technological products for fighting the pandemic including Digital Sentinels and Cloud Cabin. It made 10 major achievements in scientific and technological innovation. The number of patents granted grew by more than 50% year-on-year. Revenue from self-developed products grew by 70% year-on-year. The Company won the honorary title of “Enterprise with Outstanding Contributions to Scientific and Technological Innovation” from the SASAC and the 2022 World Internet Leading Technological Achievement Award. The Company drove its digital transformation to enable full-process, all-customer and full-range coverage, and further improved the effectiveness of smart operation of its five major APPs, five major operating platforms and five major middle platforms, effectively providing data and tool empowerment for the front line. Digital capabilities are getting from “OK” to “great”. Front-line productivity has been significantly improved, and customers can enjoy smarter, more convenient, and warmer service experience.

“Accelerating” the pace of reform to improve modern governance capabilities. By leveraging the advantages as a pioneer of the mixed-ownership reform, China Unicom has been driving the long-term institutionalization of modern corporate system with Chinese characteristics and market-oriented operation mechanism, and continuously improving the modernization level of corporate governance system and governance capabilities. The three-year action plan for state-owned enterprise reform has been concluded with the successful completion of 130 reform tasks in 10 aspects. With continuous improvement in the development of its board of directors, Unicom A Share Company has been evaluated as “excellent” for board development by the SASAC for two consecutive years. The Company’s subsidiaries have all established a board of directors, if appropriate, with complete and strong members. The Company continues to improve its quality as a listed company, takes the lead in exploring a valuation system with Chinese characteristics and actively responds to investor concerns. Unicom A Share Company has received top rating for information disclosure from the Shanghai Stock Exchange for five consecutive years. Adhering to “one China Unicom with integrated capability, operation and services”, China Unicom has built a matrix system of distinctive capabilities, clarified the positioning of headquarters and departments as well as main responsibilities and main businesses, supported 17 professional subsidiaries to establish “specialised, niche, special and novel” capabilities, and set up 10 industry forces covering 9 major sectors, to provide a package of “one-point access, response nationwide, tailor-made” services for various industries. With a view to building a robust and excellent operation and service system, the Company has launched county (district) improvement projects to promote the upgrade of front-line production organizations and maximize the vitality of business development for “small units” with front-line responsibilities, greatly enhancing employees’ sense of happiness and reward. Attaching equal importance to development and security, the Company operates in compliance with laws and regulations, effectively prevents and resolves major risks, continues to strengthen, optimise and expand state-owned capital, so as to accelerate its development into a world-class enterprise with excellent products, outstanding brands, leading innovation and modern governance.

2023 is a key year for China Unicom to further implement the “1+9+3” strategic planning system. We will fully implement the arrangement of the Economic Work Conference of the Central Committee, advance the “nine determination”, implement the “nine perseverance” and strengthen the “five endeavours” so as to continuously improve core competitiveness and sustainable development capability, make new achievements in high-quality development with new morale and initiatives, and contribute to Chinese-style modernisation with digital, network-based and intelligent transformation.

China Unicom (Hong Kong) Limited

Chairman & CEO



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