

1

**FORGE AHEAD ON A NEW
JOURNEY AND SHOULDER
THE NEW MISSION**

**TO HELP BUILD A POWERFUL
MODERN COUNTRY**

Shouldering Mission and Driving Strategic Upgrade Effective Implementation to Break New Ground



China Unicom always bears in mind the “two imperatives”, cares for the “the country’s top priorities”, cares for the “people’s needs”, and takes the new mission entrusted by the Party and the country in the new era. Taking into account the new changes in the internal and external development environment, China Unicom further promotes the iterative upgrade of the Company’s strategic planning system, and solidly promotes the implementation of strategies with good results, which fully demonstrates China Unicom’s mission and responsibility as a “national team, key force, and frontline troop” that integrates into and serves the national strategy, helps economic and social transformation and upgrading, and meets the needs of people for a better digital life, and has been fully recognised by the supervising authorities and highly praised by all sectors of society.



Measures adopted in 2022

- The Company upgraded its strategic planning system and undertook the responsibilities of central enterprises such as Cyber Superpower, Digital China, Technological Superpower and Enterprise Reform in a more comprehensive and systematic manner.
- The Company made every effort to build four premium networks of 5G, broadband, government and enterprise and computing power, and the network quality reached a new level.
- We strived to create digital products and services for industry integration, people’s livelihood services and government governance, and achieved new breakthroughs in value creation.
- Focusing on R&D investment, talent development, achievement quality and other aspects, we have made milestone progress in promoting high-level technology self-reliance and self-improvement.



Actions to be taken in 2023

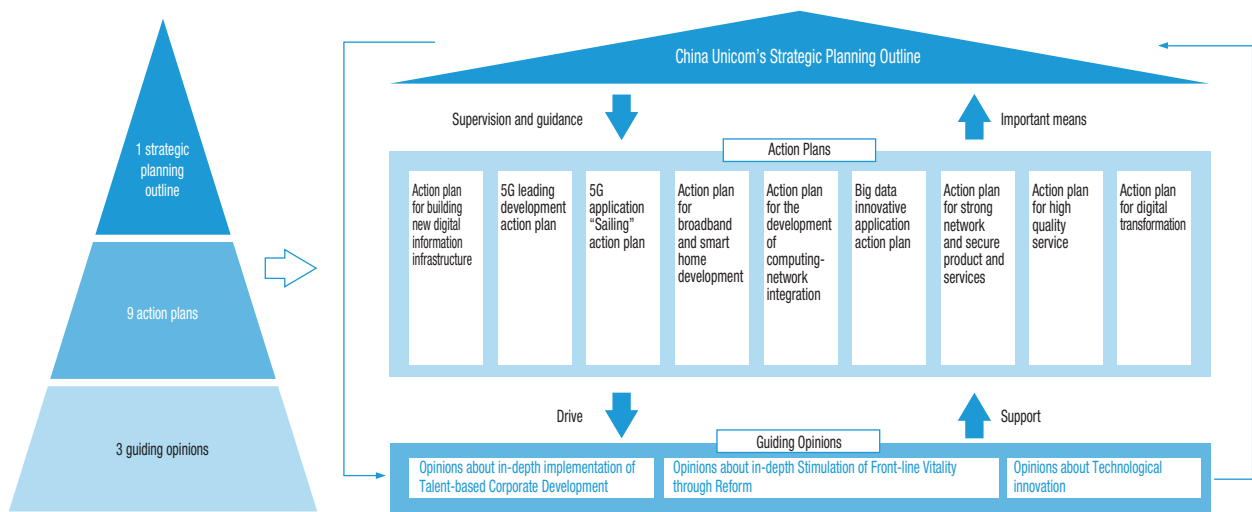
- We will further implement the “1 + 9 + 3” strategic planning system and accelerate the construction of a world-class enterprise.
- Adhering to the principle of moderately advancing, promoting network use through construction, and aligning network use with construction, we will make every effort to promote the new leap from “basic connectivity” to “interconnection of all things”.
- Leveraging the advantages of the integration of cloud, big data, IoT, artificial intelligence, blockchain and security, we will optimise and strengthen digital products and services in key industries, and promote the development of digital economy, digital government and digital society.
- We will resolutely implement innovation-driven development and strive to build an innovative technology enterprise.

Shouldering Mission and Driving Strategic Upgrade

Through the iterative upgrade and closed-loop implementation of the strategic planning system, the latest national decisions and deployments and the Company's key tasks were implemented effectively.

Promoting the iterative upgrade of the strategic planning system

China Unicom fully grasped the new trend of industry technology and market development, and took into account the actual needs of its own development to upgrade the strategic planning system from “1 + 8 + 2” to “1 + 9 + 3”, so as to undertake the responsibilities of central state-owned enterprises such as Cyber Superpower, Digital China, Technological Superpower and enterprise reform in a more comprehensive and systematic manner.



China Unicom's strategic planning system has been upgraded from “1+8+2” to “1+9+3”

Under the guidance of the “1+9+3” strategic planning system, the Company's strategic recognition and strategy implementation are more coordinated and unified. The methodology of overall planning and systematic policy implementation has gradually formed a system, with smoother strategy-oriented goal management and goal-oriented business performance management. The new strategy not only serves as a general action plan for promoting the Company's high-quality development in the new era, but also serves as a centralised reflection and specific action for the Company to implement the national decisions and deployments.

Building a closed-loop system for strategic planning and implementation

The Company has built and improved a closed-loop system for strategic implementation that links strategic publicity and training, interpretation and implementation, and monitoring and evaluation, and took multiple measures to promote the effective implementation of strategies.

- **Systematic publicity and training.** The Company carried out various forms of learning and publicity activities, achieving 100% coverage of “persons in charge” at all levels, with more than 360,000 participants participating in the learning. At the same time, the Company prepared the “China Unicom Strategic Planning Series Paper” for unifying thoughts, gathering consensus, answering questions and guiding practices.

- **Characteristic interpretation and implementation.** Each department of the headquarters and each subsidiary not only undertook and implemented the plan faithfully, but also established their annual goals and key tasks based on their own clear focus. The departments of the headquarters sorted out and optimised their positioning, main responsibilities and main businesses. 31 provincial branches formulated annual work objectives and key tasks lists. 336 municipal branches formed annual implementation plans, and 17 secondary professional subsidiaries specified their “specialised, niche, special and novel” abilities.

- **Routine monitoring and evaluation.** The Company established a strategic evaluation indicator system, and specified 66 core indicators, 148 important indicators and 129 general indicators. On a quarterly basis, it carried out review and evaluation of strategy implementation, summarised results, found problems, and put forward suggestions for optimisation.

The management of the Company overcame the impact of the pandemic and went to the front-line to carry out full-coverage special visits on the strategy implementation of provincial branches, subsidiaries and headquarters departments to ensure the high-quality implementation of the strategy.



China Unicom Henan Branch held a strategic planning meeting



Chairman Liu Liehong visited China Unicom Shanxi Branch, and went to the intelligent working platform No. 108 located 800 metres under the ground



President Chen Zhongyue visited China Unicom Chongqing Branch

Effective Implementation to Break New Ground

2022 is the starting year for China Unicom to fully implement its new strategic plan. The Company focuses on the implementation of the new strategy with a firm attitude, quick actions and effective measures, and has achieved a number of milestones, which in turn boosted the morale of employees and established a new image of a responsible central state-owned enterprise.

Digital information infrastructure reaching a new level

China Unicom is comprehensively constructing high-speed and ubiquitous, air-space-ground integrated, cloud-network integrated, smart and agile, green and low-carbon, and secured and controllable digital information infrastructure of intelligence and comprehensiveness. It has built a strong network which is the “first choice of the country, government and people”, and actively took its responsibilities with the “the country’s top priorities” in mind to make every effort to serve and support the overall development of the state.

The Company made every effort to build four premium networks for 5G, broadband, government and enterprise as well as computing power, bringing the network quality to a new level

Premium 5G network:

- Cooperated with China Telecom to build the largest 5G co-built and shared network with the highest bandwidth and fastest speed in the world. The number of 5G mid-band base stations exceeded **1 million**, accounting for about **30%** of the global total.
- Through 5G/4G co-build and sharing, we have saved cumulative more than **RMB270 billion** for the country, reduced operating costs by more than **RMB30 billion** per year, and reduced carbon emissions by more than **10 million tons** per year.

Premium broadband network:

- Gigabit fibre network coverage **doubled** to more than **200 million** households.
- Broadband covered **496 million** residential units and **147,000** commercial buildings
- Won the “**Leading Connected Smart Home Operator**” award for the year at the Broadband World Forum.

Premium government and enterprise network:

- Covered additional **59** cities, bringing the total to **307** cities, maintaining a leading position in the industry.

Premium computing power network:

- Built a new IDC architecture of “**5 + 4 + 31 + X**”, covering 8 national hub nodes, computing power centres in 31 provinces, and “one pool per city” in **170** cities
- Published the White Paper on the Full-optical Base in the Era of Computing Power and the White Paper on Computing Power Network Programmable Services.

Social Feedback

- Won the “Award for Outstanding Contribution Group to the Beijing Olympics and Paralympics Winter Games”
- Thomas Bach, Chairman of the International Olympic Committee, praised that “the Winter Olympics has made breakthroughs in many areas, especially broadcast and communication technologies”
- More and more people feel that China Unicom’s network is getting better, as reflected by a 40% decrease in complaints about the quality of China Unicom’s network



Digital empowerment of industry integration achieved new breakthroughs

Relying on digital technologies such as big data, artificial intelligence and blockchain, China Unicom leverages the advantages of cloud-network integration to build a capability-generating model of “One China Unicom with integrated capabilities and operation services”, and integrates the strength of the whole company to provide customers with integrated solutions and operation services, and comprehensively serves the construction of digital economy, digital society and digital government.




We made every effort to create digital products and services for industrial integration, people's livelihood services and government governance, and comprehensively enhanced corporate value and customer value:

Empowering industry integration	Enriching livelihood applications	Serving government governance
<ul style="list-style-type: none"> ● Unicom Cloud ranked first in terms of growth rate in the public cloud market, and the Big Data business maintained its leading market share in the industry. ● Aiming to build the No.1 brand of "5G + Industrial Internet", the Company implemented more than 5,000 "5G + Industrial Internet" projects and more than 1,600 5G full-connection factory projects throughout the year, achieving full coverage of 20 Big Application scenarios ● Launched products such as China Unicom Mogong, Unicom Cloud Shield and network situation awareness, gradually realising large-scale replication ● The Company was the first in the industry to set up 10 industry forces covering 9 key vertical industries. 	<ul style="list-style-type: none"> ● Launched "eight gold and eight silver" products such as video ringtones, Unicom assistant, China Unicom Super Definition and China Unicom Network ● In terms of smart education, the Company created 22 industry solutions to serve over 150 education industry customers across the country ● In terms of smart medical care, the Company created 6 medical industry solutions to serve over 100 medical industry customers across the country ● In terms of smart culture and tourism, the Company served more than 170 cultural and tourism management institutions at all levels, more than 200 scenic spots and more than 50 cultural and museum venues across the country. 	<ul style="list-style-type: none"> ● The Company has provided high-quality services for the central e-government backbone network for 15 consecutive years, participated in the construction of 47 national private networks of ministries and commissions, and built the Big Data platforms for 15 ministries and commissions. ● The Company has completed benchmarking projects such as the National Drug Administration Cloud, Liaoning Provincial Government Cloud and Guangzhou Municipal Cloud, as well as Moutai Cloud which is a large-scale e-commerce platform. The national government cloud platform constructed by the Company was ranked the first by the relevant authorities. ● The Company also provides digital village services for more than 230,000 administrative villages.

Milestone progress in technological self-reliance

China Unicom resolutely implements innovation-driven development, focuses on core technologies and key applications, and carries out integrated innovation. China Unicom is committed to turning itself into a technological innovation enterprise, so as to achieve high-level self-reliance and self-improvement of digital technology and become an important part of the national strategic technological strength.

In terms of R&D investment, talent development and quality of achievements, the Company has achieved milestone progress in promoting high-level technological self-reliance and self-improvement:

 Greater investment in technological innovation	 Greater investment in technological innovation	 Higher achievements of scientific and technological innovation
<ul style="list-style-type: none"> ● R&D investment for the year reached RMB14.38 billion. ● Extra RMB1 billion budget for key and core technology research and a special incentive of RMB30 million. 	<ul style="list-style-type: none"> ● The Company established the China Unicom Science and Technology Association and engaged 16 academicians as special experts of the Science and Technology Committee ● The proportion of scientific and technological innovation talents increased by more than 8 percentage points to 30% ● The National Engineering Research Centre for the Next Generation of Internet Broadband Business Application was selected as one of the first innovation bases of "Innovation China". 	<ul style="list-style-type: none"> ● The Company has achieved ten major scientific and technological innovation achievements including "1 terminal, 1 cloud, 2 platforms and 6 networks" ● Supported High-Tech Winter Olympics to achieve more than 20 "historical breakthroughs" and "global firsts" ● Built a 5G independent innovation "test field" for the 900MHz low-band network ● The number of patents granted increased by more than 50% year-on-year, winning the silver prize for China Patent. ● Won the honorary title of "Enterprise with Outstanding Contributions to Scientific and Technological Innovation".