

China Unicom 2016 Annual Work Conference Highlights

China Unicom 2016 Annual Work Conference was held in Beijing on 29-30 December, 2015. Full implementation of “Focus Strategies” was put forward at the conference to bring China Unicom to a new stage.



Mr. Chen Zhaoxiong

Deputy Minister of Ministry of Industry and Information Technology

Mr. Chen Zhaoxiong, Deputy Minister of Ministry of Industry and Information Technology, attended the conference and made important remarks. He reviewed the overall development of the industry in 2015, analysed the new trends, requirements and missions facing the information and communications industry, and announced the key focus areas of the Ministry in 2016. He acknowledged the work of China Unicom in 2015 and stated that China Unicom has earnestly executed the directions of the Party, the State Council and the relevant Ministries, adapted to the changes in the external and internal environments, speeded up the efforts in innovation and transformation, stepped up reform in key areas, strengthened the Party establishment and created culture of integrity. New progress has been achieved in various areas. The “Speed Upgrade, Tariff Reduction” initiative was advancing progressively. Remarkable results were seen in corporate transformation. The quality of service has been steadily improved. The Company further

shouldered responsibility and made significant contribution to industry innovation development, economic transformation and upgrade, and servicing the community. Mr. Chen set out specific requirements for China Unicom's work in 2016. He hoped that China Unicom will focus on key issues, drive innovation, stimulate demand with supply, facilitate transformation with innovation, attain win-win through open cooperation and survive with quality, striving to begin a new growth era.



Mr. Yang Jian

Chairman of the Supervisory Committee for major state owned enterprises

Mr. Yang Jian, Chairman of the Supervisory Committee for major state owned enterprises, also attended the conference and offered remarks that set out specific requirements for China Unicom's work in the future. He hoped that China Unicom can jump out of the boundary of the telecom industry and the conventional structure and mechanism to think for future development, and resolve issues in the course of development by deepening reform, focusing on growth and pushing forward transformation and upgrade. First, China Unicom should address the development dynamics between key areas and non-key areas, leveraging the driving effect of corporate strategy. Given the prevailing severe challenges, it should set priorities, address the key issues, as well as focus on key areas and businesses. Second, the Company should innovate the organisation structure and management mechanism to cultivate new growth drivers and speed up strategic transformation. China Unicom should be persistent in differentiating itself, speed up new business development, revamp organization structure and management system, build innovative platforms, establish mechanism that can embrace mistakes and create suitable environment for innovation. It should also continue to implement mixed-ownership system, build up a talent pool and the incentive and compensation policies for innovative business. Third, China Unicom should optimise its management and control systems at the headquarters, enhance its ability to prevent risks and develop services. It should uphold nationwide centralised operation, improve support systems, enhance management and control systems at the headquarters, strengthen execution capability, and deliver better guidance and services. Forth, China Unicom should cultivate its own corporate culture and consolidate growth powers.



*Mr. Wang Xiaochu
Chairman of China Unicom*

Mr. Wang Xiaochu, Chairman of China Unicom addressed the annual work conference and reviewed the progress and achievement made by China Unicom in different aspects of work in 2015. He pointed out that 2015 was an extraordinary year for China Unicom. With the profound changes of the market environment and multiple factors challenging the operations of the Company, China Unicom was able to actively face up these challenges with concerted efforts, accelerated the adjustment and continued to promote the development in all aspects of work with new advancements. The Company, at all levels, gathered intelligence and efforts to tackle the changes proactively, timely adjusted the strategy and practically advanced the transformation. With the breakthrough and unity built on various areas, including strategy, mindset and measures, the Company charted clearer direction of development with focused strategies for breakthrough. The market confidence has continuously recovered. The Company had seen new positive changes in its external influence and internal environment, building up a solid mindset and work foundation for tackling challenges and returning to the appropriate development path. Chairman Wang Xiaochu commented that 2016 is not only the first year of the determining stage for China to comprehensively build a moderately well-off society, but also the opening year for China Unicom to implement “Focus Strategies”. The Company has to fully implement the central government’s spirit and the strategic directions from the authority, while taking into account the actual circumstances to ensure solid execution of its strategy with a good start. He requested that all staff of China Unicom should carefully exercise the spirit of the Central Economic Work Conference and strategic directions from the authority, accurately analyse the current situation, adapt to the industry trend to enhance the fundamental business value, develop innovative business as new growth drivers and explore new opportunities. Meanwhile, the Company is required to maintain integrity and nurture cooperative work spirit. Chairman Wang said the Company shall persevere in its strategies and ensure the solid development of the fundamental business and innovative business. The “quality enhancement plan for customers” should be deeply implemented in order to speed up customer experience enhancement. It also needs to adjust to the market development, innovate the management systems and continue to promote simplified administration with increased delegation, drive reform in basic frontline business units to enhance vitality and revamp the resources allocation and incentive mechanism. Chairman Wang also stressed the importance of developing corporate culture, establishing integrity and positive mindset, encouraging the morale coherence, solidarity and cooperation of the staff for better performance in various tasks.



Mr. Lu Yimin
President of China Unicom

Mr. Lu Yimin, President of China Unicom has reported and comprehensively concluded the new development made in different aspects of work of China Unicom in 2015. Mr. Lu pointed out that China Unicom had actively faced up to the challenges in 2015, progressively adjusted the operating directions and speeded up the shift of business focus to continuously drive the key business development. Meanwhile, the Company has also strengthened the implementation of strategies, while accelerating in mapping out the new strategic plan for future development. In 2015, the Company explored transformation in key areas, refined the management mindset to adapt to market changes and promoted simplified administration with increased delegation. It has answered the central government's initiatives for telecommunication operators, and actively undertook and completed various tasks to drive the economic and social informatization. It strove to accomplish the national goal of maintaining steady growth while implementing "Broadband China" strategy, unifying tariff for Beijing-Tianjin-Hebei Integration and carrying out "Speed Upgrade, Tariff Reduction". It has also reinforced efforts to rectify malpractices in the industry and enhance complaints resolution. The Company carried out the stock taking of existing tower and related assets, and completed the assets injection to the Tower Company with the asset delivery, pricing settlement and other significant initiatives. Mr. Lu Yimin set out the annual work plan for 2016. He specified that in line with the national thirteenth five-year plan, China Unicom shall fully implement "Focus Strategies". Mr. Lu urged that the Company, at all levels, needed to have a profound understanding of "Focus Strategies" and fully promote and implement the same. The annual work focuses of 2016 are network roll-out and business development. For the mobile business, the Company will focus on 4G, accelerate network roll-out, rebuild the brand image, optimise product offerings, enhance mobile terminal line-up, strengthen channel distribution capability and speed up subscriber migration to 4G service. Mr. Lu also emphasised the importance of applications in elevating the broadband value and maintaining the steady growth of fixed-line business. The Company shall seize the trend and opportunity to develop innovative business as the new growth driver and realise scale breakthrough in key innovative businesses. In 2016, the Company needs to leverage the opportunities arising from network economy development, achieving breakthrough in innovative business. The Company will embrace opportunities brought about by the national strategy of "One Belt, One Road" and optimize the operational model of the international business, bringing the operation to the international standard. The Company shall strengthen various service support and effectively improve the customer and frontline service experience. It has to establish a comprehensive management system that adapts to market changes. Mr. Lu added that the



Company has to enhance its proactiveness and execution capability and achieve material progress on deeper cooperation. He also pointed out that the Company will strengthen effort in establishing anti-corruption practice and corporate integrity and building good and positive corporate culture. Mr. Lu Yimin asked that all the staff members of China Unicom should gather the collective strength, shoulder responsibilities, face up to the challenges and work steadily to bring China Unicom to a new development stage.

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