

**China United Telecommunications Corporation's
Communications on Progress
(2006)**

June, 2007

Chairman's statement

The establishment of China Unicom is a symbol of the Chinese telecoms industry breaking away monopoly and introducing competition. Over thirteen years, as an emerging state-owned large-scale telecoms operating enterprise, China Unicom has made important contributions to service improvement, development promotion, harmony and prosperity of the Chinese telecoms industry.

Since its establishment, and through painstaking efforts, restructuring and public offering, transcendent development as well as a comprehensive and in-depth transformation, China Unicom has entered a brand new development phase, having become a world renown telecoms operating enterprise that boasts about the world's largest CDMA mobile communications network, the world's third largest mobile user group and the world's second largest CDMA user group as well as the sole carrier in China operating comprehensive telecoms businesses. Currently, our basic transport network has reached more than 300 areas and cities all over the country, CDMA and GSM mobile communications networks have already delivered roaming service to nearly 300 countries and regions, and the coverage range of long distance phone network and data communications network and Internet has been extended nationwide, providing quality comprehensive telecoms service for almost 150 million users.

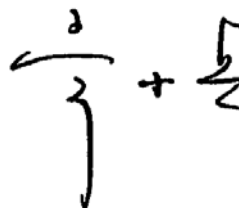
As the only telecoms operating enterprise currently in China that was listed in Shanghai, Hong Kong and New York, facing the ever-changing market competition environment, China Unicom spares no efforts striving to create value for the state, shareholders and investors and bring about returns to them. China Unicom has made continuous efforts to enhance service level, enabling hundreds of millions of users to enjoy abundant and exciting modernized communications and information service; earnestly involved in the construction of the national economy and the social informatization making its own contributions to the construction of a telecoms power and a modernized country.

Along with its growth and development, China Unicom has fearlessly undertaken social responsibility and played an active role in the social public welfare cause. As of the end of 2006, the Tibet-aid and poverty alleviation work in designated areas in Hebei Province has lasted five years, having helped tens of thousands of local farmers and herdsmen to shake off poverty, and enabled thousands of drop-outs to go back to school; China Unicom has delivered full support to the Kekexili scientific exploration and secret-finding action, providing powerful economic support and mobile communications guarantee for scientists to go deeply into no man's land for scientific exploration with its unique CDMA quality communications network; by joining hands with Red Cross Society of China, our company has officially activated SMS donation service number 9993, setting up a love-passing platform for public welfare cause.

In the future, we will continue as always to take the harmonious development and

common prosperity of the enterprise, the society and the environment as our persistent target, making new and ever greater contributions to the development of the communications undertaking of our country and even the world and the construction of a harmonious society and a harmonious world!

Chairman, China United Telecommunications Corporation

A handwritten signature in black ink, consisting of stylized Chinese characters.

Interpretations on China Unicom's logo



The logo of China Unicom has evolved from the lines of Chinese Knot - the good luck figure in China's ancient times. The circling and linking-up lines symbolize orderly and smooth development of China Unicom as a modern telecoms enterprise as well as the never-ending Unicom cause.

In the logo structure, there are two obvious "hearts" connected up and down, which vividly show the service objective of communicating heart to heart of China Unicom, always thinking for users and connecting users closely.

Chinese red: the color of the national flag, standing for passion, enthusiasm and energy, being the most representative color of the Chinese love knot. The red color symbolizing gaiety and good luck enhances friendliness of the enterprise image and brings about strong visual impact, which matches the enterprise location of passion, innovation and tendency.

Chinese ink black: the color that is the most tolerant and cohesive, a symbol of steadiness and elegance. The combination of the red color and the black color produces a visual impact of stability, harmony and tension.

The dual i's in red color act as the finishing touch, as if two people are communicating freely at any time, thus emphasizing the branding spirit of "Get Connected" while in the vertical combination, it perfectly forms a good luck fringe structure, consolidating the good luck and happiness image of Unicom at the hearts of customers.

i: which pronounces like "love" in Chinese, extending the branding concept of "closely linked by hearts"; its English name interprets "i" and "information" so as to accommodate to the "customer centered" marketing mode and the general thinking of brand marketing of "providing customers with integrated communications and information service".

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About us

Company profile

China United Telecommunications Corporation ("China Unicom") was established on July 19, 1994 with approval of the State Council of the People's Republic of China. It mainly operates mobile communications, international and domestic long distance communications, data communications, Internet, VoIP and other businesses, being a telecoms operating enterprise with a multiple share-holding structure and offering comprehensive telecoms services.

In June 2000, China Unicom was successfully listed in Hong Kong and New York, becoming the largest IPO ever in the Hong Kong capital market at that time and securing one of the top ten in the global IPO history. One year later, the stock of China Unicom Limited was included as a constituent stock of the Hong Kong Hang Seng Index, and in October 2002, the A Share Company of China Unicom was successfully listed in Shanghai Stock Exchange, thus becoming the first basic telecoms operating enterprise that entered the domestic A Share market with the largest amount of outstanding shares. By means of fund raising through listing and setting up and standardizing its governance structure, China Unicom has materially established a modern enterprise system governed in accordance with the international standard.

China Unicom has built nationwide GSM and CDMA mobile communications networks and an internationally leading unified multiservice network platform, delivering mobile communications service, long distance phone service over IP, data communications, Internet and many other businesses. Over recent years, the Company has developed CDMA 1X technology based wireless data services, launching "U-Net", "U-Map" and other mobile data services as well as "Marine Horizon", "Police Horizon", "Traffic Horizon" and other institutional industrial applications, bringing users into a new mobile commerce and mobile entertainment era. As of December 31, 2006, GSM and CDMA mobile phone users of the Company had amounted to 142.366 million, being the globally third largest mobile carrier in terms of subscriber quantity; CDMA mobile phone users had reached 36.493 million, being the globally second largest CDMA carrier in terms of subscriber quantity.

In the future, in the principle of being responsible to stakeholders and in accordance with the requirements of the scientific development outlook, China Unicom will take a firm stand on pioneering and innovation, adhere to the market-driven strategy, and speed up development, making greater contributions to the construction of the telecoms power, and the promotion of the national economy and social informatization.

Management team

Mr. Chang Xiaobing, aged 50, acts as Chairman of the Board of China United Telecommunications Corporation. He supervises overall works of the Company. He is a professor level senior engineer and holds a doctor's degree in business administration. He has over 25 years of operational and managerial experience in the telecommunications industry in China.

Mr. Shang Bing, aged 51, acts as President of China United Telecommunications Corporation. He assists in handling production and operations management issues of the Company, and is in charge of enterprise development, human resources (labor and capital), audit and other works. Mr. Shang is a senior economist and holds a doctor's degree in business administration. Mr. Shang has extensive management experience and knowledge in telecommunications operations.

Mr. Tong Jilu, aged 49, acts as a Vice President and Chief Accountant of China United Telecommunications Corporation. He assists in handling issues relating to finance, Executive Office and so on. He holds a master's degree in business administration. He is presently an Executive Director of China Association of Chief Accountants and Vice Chairman of Internal Audit Association of China. Mr. Tong has extensive experience in management of telecommunications companies and finance management of listed companies.

Mr. Miao Jianhua, aged 55, serves as the Head of Discipline Inspection Group, Chairman of the Labor Union of China United Telecommunications Corporation. He assists in dealing with discipline inspection and labor union issues as well as Supervision Office, Party and Staff Affairs Department and other work. Mr. Miao is a senior economist and holds a master's degree in business administration. Mr. Miao has extensive experience in working for the government and enterprises and in management.

Mr. Yang Xiaowei, aged 44, serves as a Vice President of China United Telecommunications Corporation. He assists in handling issues related to Strategic Marketing Department, CDMA Operations Department, Corporate Business Department, Mobile Device Department and so on. He is a senior engineer and holds a master's degree in engineering. Mr. Yang has extensive experience in management and the telecommunications industry.

Mr. Li Zhengmao, aged 45, serves as a Vice President of China United Telecommunications Corporation. He assists in handling issues related to Value-Added Service Department, International Services Department, Data & Fixed Communications Department and so on. He holds a doctor's degree in communications and electronic engineering. Mr. Li has extensive experience in engineering technology and business operations.

Mr. Li Gang, aged 50, serves as a Vice President of China United Telecommunications Corporation. He assists in handling issues related to GSM Operations Department, Customer

Care Department, Information Technology Department and so on. He is a senior engineer and holds a master's degree in business administration. Mr. Li has worked in the telecommunications industry for a long period of time and has extensive management experience.

Mr. Zhang Junan, aged 50, serves as a Vice President of China United Telecommunications Corporation. He assists in handling issues related to Planning Department, Network Development Department, Operations & Maintenance Department, Interconnection Department and so on. He holds a master's degree in business administration, and has extensive management experience in the telecommunications industry.

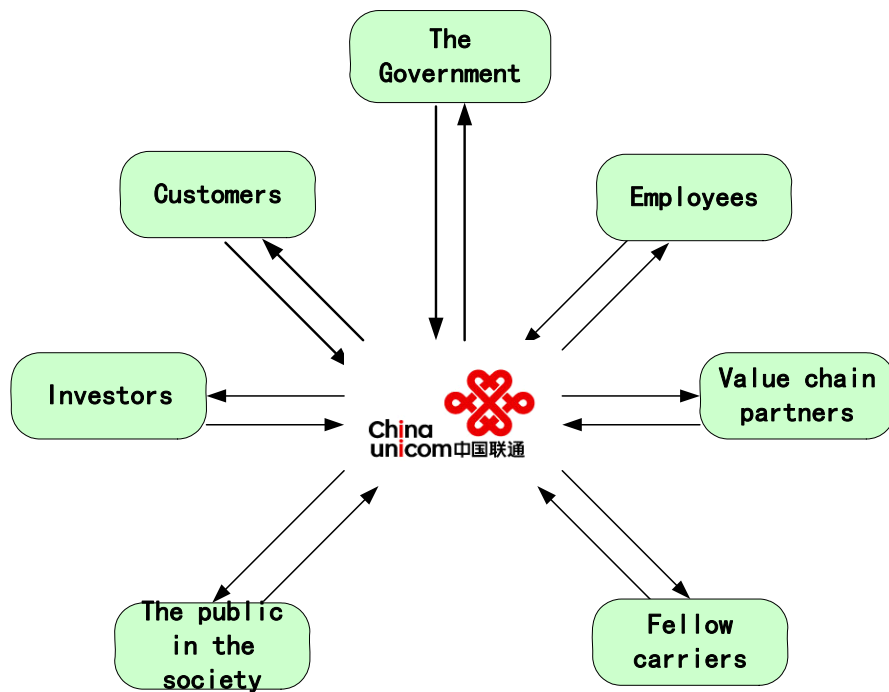
Responsibility and actions

“To provide customer with well considered comprehensive communications and information service; to realize continued capital value-added returns for shareholders; to create a good occupational development space for employees; to add powerful information civilization impetus to the society.” is the corporate mission of China Unicom, being the persistent pursuit of China Unicom. As a company with responsibility guaranteed, China Unicom follows the corporate objective of serving the people, making contributions to the society and creating the internationally first-rate comprehensive and information service provider, advocating the corporate management philosophy of “To explore the future with innovation, win over difficulties and risks with passion and gain popularity with credit”, meanwhile providing “Get Connected” communications and information service for the people, striving to realize a harmonious development between the enterprise and the society, the enterprise and its employees, the enterprise and the environment.

The responsibility system of China Unicom is implemented with the corporate core philosophy at the center, present in various aspects of operations of the Company. This report is split into “make efforts to implement economic responsibility”, “actively undertake social responsibility”, “earnestly perform environmental protection responsibility” and other sections, describing the main activities of our performing social responsibility over recent years. Under the great environment of building a socialist harmonious society, it demands us to march forward with each passing day, accommodate to the new environment, continuously innovate, adhere to the sustained development strategy, and jointly promote social progress together with all employees of China Unicom and all walks of life.

Interest-related Parties

The industry's features and the fast development of telecoms businesses have decided that China Unicom owns a great number of interest-related parties, including the government, employees, customers, investors, value chain partners, fellow carriers and so on. Their trust and support serve as a critical factor for our continued development and steady growth.



The government's guidance and supervision serve as criteria and starting point of the overall management activities of China Unicom. China Unicom strictly abides by laws and regulations, obeys supervision of the government, responds to the call of the government, and actively offers comments and suggestions, striving to create a good external environment for the enterprise development.

Customers' demand and satisfaction serve as the basis for existence and development of China Unicom. China Unicom is a comprehensive telecoms operating enterprise primarily providing mobile communications service meanwhile delivering fixed-line communications, data communications, Internet and other basic telecoms businesses as well as value-added telecoms businesses. By launching abundant and rich telecoms businesses to domestic and international institutions, enterprises and individual customers, China Unicom endeavors to satisfy diversified information service requirements of customers. In the process of customers' obtaining premium telecoms service and enhancing the informatization level of the entire people, build up the magnificent undertaking of China Unicom.

Employees are the source for China Unicom to create value. China Unicom spares no efforts to provide its employees with working posts that match their competence, provide long term opportunities to guarantee and improve their livings, provide occupational career that is full of challenge and hope, and provide a development space to meet their excellent expectations in life. The Company continuously provides its employees with various kinds of study and training opportunities so as to guarantee and enhance competence of employees to sustainably develop and accommodate to modern professions. Strive to create a working environment that is exciting, full of joy, vigorous, secure and healthy and active for employees, allowing them to obtain a sense of security, home and achievement from the Company.

Investors' funds serve as an important pillar for China Unicom to develop. Our country is the primary investor of China Unicom, and its powerful support is the important cornerstone for China Unicom to grow. China Unicom has owned a lot of institutional investors and individual investors at home and abroad, having raised a great amount of funds for the development of the Company through listing in stock exchanges located in New York, Hong Kong and Shanghai. In the development and growth process of China Unicom, it has formed a strong aspiration to create value for investors.

Value chain partners serve as allies for China Unicom to provide quality service for customers. In light of the "open, cooperation and win-win" principle, China Unicom brings various links of the value chain together to jointly make contributions to build a harmonious society.

Under the guidance of the government, **fellow carriers** and China Unicom perform fair competition, pursue harmony and win-win and jointly move forward the fast development of the telecoms industry of our country.

The public in the society has provided an existence and development space for China Unicom. The growth and development of China Unicom are inseparable from the sustained

development of the society and the environment. China Unicom is a backbone enterprise of informatization of our country. The telecoms networks operated by China Unicom constitute the infrastructure of the national economy. Through its own business development and its own model enterprise behavior, China Unicom will make contributions to the reform and development of the telecoms cause of our country, to the national economy and social informatization, to the overall construction of a well-off society, and to the national revitalization, prosperity, social development and human progress.

Make efforts to implement economic responsibility

China Unicom endeavors to provide convenient, smooth and efficient communications and information services to the society and the public. Facing the ever-increasing informatization requirements of the public and the society, China Unicom will broaden approaches for users to obtain information and perform information interaction by continuously implementing convergence and innovation of network, service and terminals, and in the process of moving forward social informatization, it will achieve a sustained and healthy development.

Financial performance and economic effect

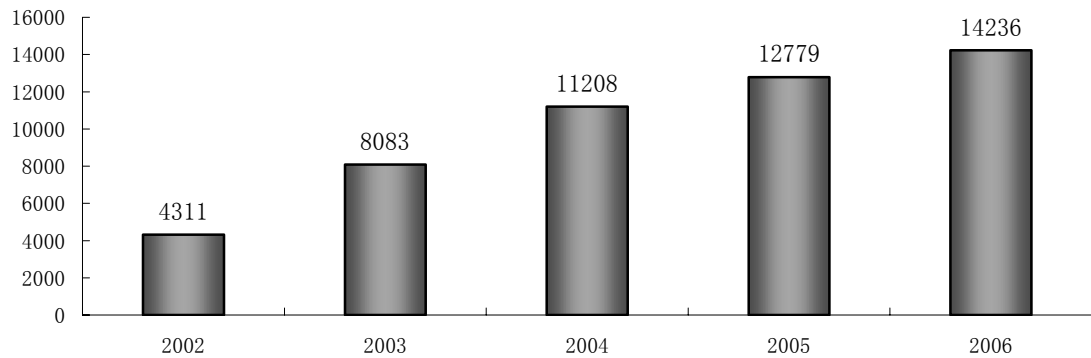
1. Business and financial performance

Through thirteen years of development, China Unicom has grown into an important backbone telecoms carrier of our country, having achieved transcendent development, enabled state-owned assets inflation proof and value increased, and made important contributions to the reform and development of the Chinese telecoms industry, the enhancement of informatization level of the entire people, and the promotion of the national economy and social informatization construction. As of end of December 2006, the optical fiber transmission network of the Company had been extended nationwide with a total length of optical cables being about 863,000 kilometers; the GSM mobile communications network had built a switching capacity of 110 million subscribers; the CDMA mobile communications network had constructed a wireless capacity of more than 84.00 million subscribers.

China Unicom owns the world's third largest mobile phone user group, of which CDMA mobile phone users rank 2nd in the world. As of end of December 2006, China Unicom's mobile phone users stood at 142.366 million subscribers, of which GSM mobile phone users reached 105.873 million subscribers and CDMA mobile phone users amounted to 36.493 million subscribers.

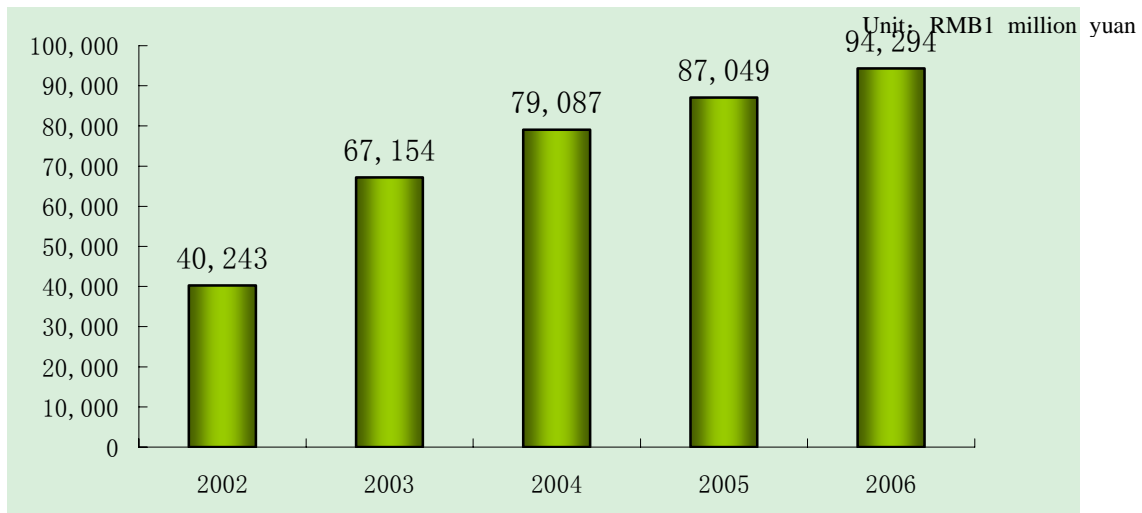
Subscriber Number of China Unicom's mobile service

Unit: 10k subscribers



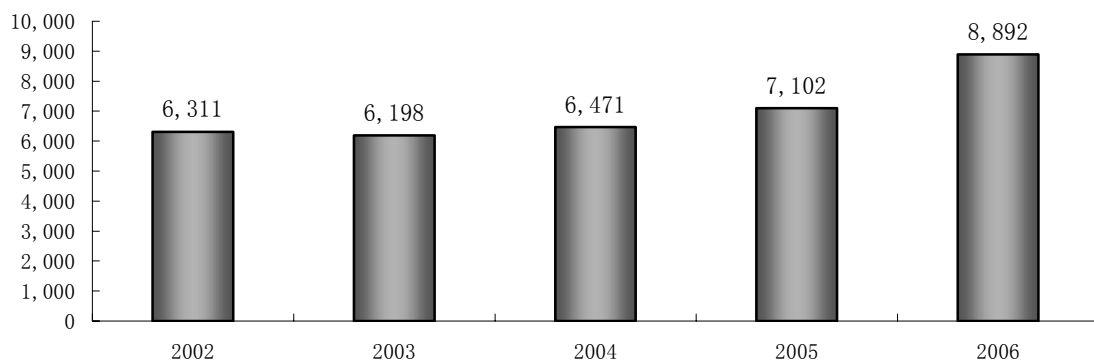
Operating revenues of China Unicom

Unit: RMB1 million yuan



Overall Profit of China Unicom

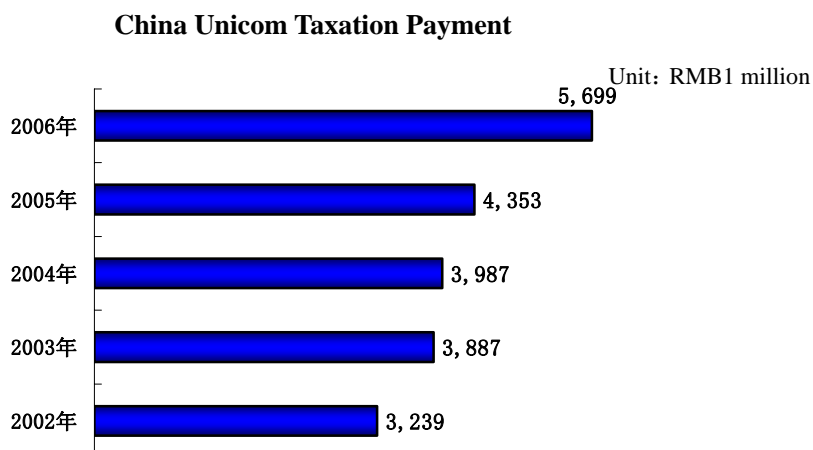
Unit: RMB1 million yuan



Note: The overall profit of RMB8.892 billion yuan in 2006 is the amount after deducting an unrealized loss on changes in fair value of derivative component of the convertible bonds.

2. Economic effect

◆ Direct contributions to national economy



◆ Creation of a great amount of employment opportunities

The establishment of China Unicom has introduced competition in the basic telecoms area of our country, which has not only greatly enhanced competition competence of the Chinese telecoms enterprises but also brought about much more employment opportunities for the society. Since its founding in 1994, it has provided more than 150,000 direct employment posts for talents in all social strata, having played an important role in such aspects as developing the economy, promoting employment and maintaining social stability.

Meanwhile making its own fast development, China Unicom strives to bring advantages of the communications industry that is closely related to the life of the general public into play, having enabled its public welfare behavior to generate a very good demonstration effect, built a good enterprise citizen image and promoted the construction of a harmonious society.

Practices in various regions

- In Sichuan, together with 20 areas, cities and prefectures all over the province as well as local labor and security departments, it successfully held 73 recruitment meetings, helping laid-off workers to realize re-employment through cooperation with the government, which has enabled more than 9,000 laid-off workers to find a new hope.
- In Henan, together with Henan University of Technology and other universities, it set up practice bases for university students, providing them with a broader practice and employment platform.
- In Fujian, together with labor and security departments, it developed employment and social security cards targeting dispatched workers according to labor service contract, workers from the outside and rural-immigrant works, the launch of this kind of employment and security cards that have brought about actual interests to workers has enabled those workers in Fujian coming

from the outside to obtain benefits, and maintained their lawful interests, having allowed the government to reduce pressure as a result of difficulty in hiring workers.

- In Jiangsu, Xinjiang and other regions, it kicked off “Re-employment project for ten thousand people”, guaranteeing to provide laid-off workers with ten thousands of posts and actively sharing the society’s burden, which has been praised unanimously by all walks of life.
- In Jilin, together with the local general labor union, it set up Unicom community service stations, establishing a new employment channel for laid-off workers.

In 2006 – 2007, as the exclusive title sponsor, China Unicom joined hands with CCTV, the most influential central media in China successfully launched two globally-oriented incentive TV programs entitled Win in China. China Unicom has provided support to millions of star-ups, jointly setting up a pioneering stage to connect capitals and talents. From the start of the contest sign-up, China Unicom provided more than 200 Unicom business halls as offline sign-up locations, creating a road to success with heart and soul for star-ups. Jinan, Beijing, Suzhou and other branches performed innovative face-to-face activities, providing face-to-face exchange opportunity for star-ups and winners, lifting a pioneering upsurge again. At the same time, “Efforts may not mean success but giving up certainly means failure” of our image spokesman Yao Ming became encouragement words for millions of star-ups much more, which has fully interpreted the brand spirit of China Unicom “Challenge ourselves, show no fear to competition, and perform pioneering works with wisdom”.

◆ Lead the healthy development of the industry

China Unicom adheres to the open, innovation, cooperation and win-win principle, together with the general wireless value-added service partners, jointly promoting the healthy development of the Chinese wireless value-added industry. In May 2005, China Unicom took the lead to initiate and set up “UNI Strategic Partner Alliance” participated by larger SPs with a high degree of creditability in the industry. In April 2006, the “Firmly implement the socialist outlook on honor and shame, advocate a green mobile phone culture and stick to creditworthy operations” initiative launched by the Alliance aroused popular response and good social reverberation of the wireless value-added industry.

◆ Actively perform external cooperation

China Unicom implements the “Introducing from the outside and going out” strategy to the great extent, strengthening cooperation externally, consolidating the restructuring with relevant industries and value chain upstreams and downstreams internally, bringing resource advantage and competence advantage of the Company into full play, accumulating experience for the innovative thinking of “Introducing from the outside and going out” of the state-owned large telecoms enterprises.

Practices

- In March 2003, China Unicom and Qualcomms set up Unicom-BREW Telecommunications Technologies Ltd. in a joint venture, which specializes in wireless communications technology research and development, technical consultation and other businesses.
- In April 2004, China Unicom and SKT of ROK established Unisk (Beijing) Information Technology Co. Ltd., which is the first Sino-foreign joint venture operating value-added telecoms businesses following China’s accession into WTO.
- In June 2000, China Unicom completed its global IPO, and was successfully listed and traded in Hong Kong and New York. The IPO of the Company was fully ascertained by the country and broadly praised in the industry both at home and abroad, which won 2000 Best Comprehensive Assets Sales Award and Best IPO Award selected by “International Finance Review”, “International Financial Law Review”, “Finance Asia”, “Asia Finance Insight” and other internationally renown finance and law magazines. In June 2001, the stock of China Unicom (0762) was included as a constituent stock of the Hong Kong Hang Seng Index exceptionally.
- In March 2005, leveraging its comprehensive strength advantage, China Unicom successfully won the bid for CDMA operating license of Macau Special Administration Region, authorized to construct and operate CDMA network in Macau and provide trans-regional mobile communications service. On October 18, 2006, the CDMA network of China Unicom was officially put into operation in Macau. On October 24 in the same year, it officially obtained a license to construct and operate 3G (CDMA2000 1X EV-DO) mobile phone network in the Macau area.

➤ In July 2006, the Company successfully issued \$1.0 billion convertible bonds to SKT. The both parties entered a strategic alliance framework agreement, performing cooperation in the mobile communications business area, and providing customers with more diversified mobile telecoms services.

Efficient and standardized corporate governance

1. Standardized governance structure

As a late entrant into the China telecoms market, China Unicom performed a series of reforms and innovations in operations concept, fund raising, management system and other aspects taking a development road different from the traditional state-owned enterprises, working out strategic decision making of “getting listed as a whole in a phased manner” capital operations, and successfully implementing a series of innovative, flexible and effective large-scale capital operations in Mainland China and overseas, which has enabled the Company to make remarkable changes.

In order to adapt to the law environment and securities regulatory requirements in “two countries and three locations”, and satisfy the corporate architecture and management mode required by telecoms operations, China Unicom has set up a multi-level controlling structure: Unicom Group controls Unicom A Share Company, which in turn controls the red-chip company of Unicom (China Unicom Limited), and the red-chip company wholly holds CUCL. According to the “overall network in full range” operations features of telecoms services, Chairman and President of Unicom Group, Unicom A Share Company, the Unicom red-chip company and CUCL all have dual post assignments, which has guaranteed consistency and integrity of network construction and business operations. As the operations entities, Unicom Group and CUCL have one team but two designated names, which have minimized management layers and internally established institutions. According to the regulatory requirements, the company listed in Mainland China and overseas votes on transactions, procurement and other substantial issues per a fixed procedure, which has effectively protected rights and interests of minority shareholders. After nearly five years of listing and stock dividend in Mainland China and overseas, by the end of 2003, China Unicom had basically realized the “getting listed as a whole in a phased manner” capital operations strategy, completed the listing of core businesses as a whole and achieved the objective of “fund raising”, “wisdom converging” and “system integrating”, substantially set up a modern enterprise system according to the international standard governance, having provided powerful support to the sustained and healthy development of the Company.

2. Scientific decision making

In order to ensure scientific and efficient decision making, substantial issues of Unicom Group are all studied and decided at President’s Office Meeting. Besides, it has set up specialized development strategy consulting committee and science and technology committee, which have provided strong support to the scientific decision making of the Company.

◆ **Development strategy consulting committee**

China Unicom's development strategy consulting committee was set up on August 18, 2003, consisting of domestically and internationally renowned experts and scholars from telecoms, finance, management, law and other areas, to formulate development strategies for China Unicom and provide decision making consultations for substantial strategic issues. Members are invited by the management of the Company with a term of two years. The current director is Mr. Yang Xianzu, the former Chairman of China Unicom while the deputy director is Mr. Zhu Gaofeng, the former Vice Minister of Ministry of Information Industry. Since its establishment of the development strategy consulting committee, it has actively provided suggestions on decision making to the management of the Company through annual meetings, special theme studies and site surveys and other forms.

◆ **Science and technology committee**

China Unicom's science and technology committee was set up in August 2004, consisting of experts in communications technology, economic management and other aspects inside the Company, being the highest-level evaluation and consultation institution of China Unicom pertaining to science and technology development aspect. Its main responsibility is to trace and study scientific and technological development progress related to China Unicom's businesses, combine new technology and new business development of the current communications with the actual conditions of China Unicom, perform consultation and evaluation on substantial technical decision making, important scientific and technological development planning as well as substantial technical issues related with key projects by making analysis over China Unicom's internal and external environments so as to effectively move forward technical progress, and scientific and technological innovation of the Company.

3. Efficient management

◆ **Strategy management**

In order to achieve the strategic target of "building into the internationally first-rate comprehensive communications and information service provider", China Unicom has actively deepened study on development strategy and strengthened strategy management. It has drafted the five-year development planning of the Company, having worked out an action blueprint for the enterprise development, and consolidated the guidance and promotion role of the strategy to operations and management of the Company.

◆ **Budget management**

Oriented by the enterprise strategy, targeting benefit and returns on assets, and taking cash flow management as the link, it has practiced an overall budget management, having realized effective connection between the Company's strategic target, business development and budget management, preferentially guaranteed acute response to market changes, optimization and convergence of enterprise resources, and brought the first-level legal person system advantage of the Company into effective play in terms of management system. By breaking down the budget target to branches and subsidiaries at all levels, departments, and to individuals, closely connecting performance check and budget target, it has ensured the consistency between the employee team and the overall target perspective of the Company; consolidated dynamic monitor and control and analysis of budget executions that focus on costs and expenses and take the advanced marking pole management and control as measures, having realistically provided support to the layered implementation of budget target and enterprise strategy.

◆ **Performance management**

By adhering to the human-centered principle and philosophy, according to the operations and management thinking determined by the Company, and focusing on the overall target of the Company, it has built up a scientific, rational, fair and standardized performance check system, having consolidated market and benefit orientation of such check. Besides, by means of performance management, it has successfully implemented integration and interaction between performance check system and remuneration system, training system, employee professional career planning, having brought the orientation role of performance check and management into full play.

◆ **Risk management**

Taking meeting the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 as the chance, based on the internationally universal COSO framework, combining the actual situation of production management, it has optimized and improved 402 important business flows of the Company, relating to 2,244 key control points, and broken down responsibility to each level, and promoted the effective implementation of the internal control regulations and standards through publicity, training, review and check. It has set up a scientific and effective risk evaluation early warning mechanism. At the same time, by closely combining the actual situation of the Company, it has routinized the risk management work; with regard of changes in the external environment and issues arising from management, it has timely organized risk evaluation early warning, strengthened the risk management awareness of all the employees, improved the risk management system, and further promoted the risk management system to be effective in guaranteeing operations and development of the Company.

◆ Informatization management

By adapting to the requirements of comprehensive business and detailed management of the Company, after several years of informatization construction, enterprise informatization level of China Unicom has remarkably enhanced, having formed an enterprise level information system connected up and down taking business support system (BSS), management support system (MSS) and operations support system (OSS) as the main body, realized comprehensive support of Unicom Group to business and service of various provincial branches, electronic support to work flows and unified management of network operations and maintenance; informatization measures have been popularity applied in basic management and internal control management of the enterprise, having promoted enhancement in customer service level and corporate management and control competence. Currently, China Unicom is implementing informatization development planning in an all-round manner, actively moving forward the construction of new generation support system, accelerating the realization of unified planning, organization, management and utilization of corporate internal information and data as well as full support to corporate management flow and production flow so as to better serve the enterprise and the society.

Explore the future with innovation

Innovation is an eternal theme of enterprise development, without innovation, enterprise would not have vital force; the continued enhancement of innovation competence is inevitable requirements and important support to sustained development of the enterprise. China Unicom has always taken innovation as the impetus to enterprise development, attaching great importance to technical innovation, business innovation and service innovation, effectively supporting the strategic transformation of the Company by continuously raising autonomous innovation competence, and creating value with quality service and excellent results for stakeholders.

1. Management innovation

Since 2004, the Company has successfully held comparison activities of corporate management innovation results three times aiming at encouraging innovation, moving forward to form innovation culture and innovation mechanism through promoting innovation models, consequently stimulating the enhancement of the overall management level of the Company.

◆ In order to timely summarize and spread management innovation results, encourage and guide units at all levels of the Company to actively boost management innovation, raise enterprise competitiveness and economic benefit, on the basis of practices over three years, the Company has drafted “Measures on innovation results application, review and release management of enterprise management modernization of China Unicom”.

◆ During 2004 – 2006, the Company had selected 10 First Prize winners, 16 Second Prize winners and 26 Third Prize winners in terms of management innovation results, and picked out award-winning results thereof to participate in enterprise management innovation results selection activities organized by China Association of Communications Enterprises and China Enterprise Federation, and had obtained wonderful results. Of which, there were 6 First Prize winners, 8 Second Prize winners and 7 Third Prize winners in the communications industry; and 2 First Prize winners and 1 Second Prize winner in the national level.

- In 2004, the “communications enterprise capital operations targeting transcendent development” project was awarded First Prize for national management innovation results;
- In 2006, the “multi-element debt fund raising decision making and implementation enabling a fast development in support services” project was awarded First Prize for national management innovation results;
- In 2005, the “establishment and management of modern communications technology based Tianfu agricultural information service network” project was awarded Second Prize for national management innovation results.

2. Technology innovation

China Unicom actively implements the national scientific and technological development planning outline, and has proposed the scientific and technological innovation guidance thinking of the Company, i.e. “market oriented, applications centered, broad alliance and leading in development”, creating a situation that is conducive to innovation within the Company, making great efforts to raise technical innovation competence, increasing competence and efficiency of transforming technical advantage into business advantage and market advantage.

◆ Set up and improve a scientific and technological innovation mechanism, encouraging and protecting autonomous innovation

Under the guidance of the overall development strategy, China Unicom adheres to innovation, having drafted the “Eleventh-Five Year Program” scientific and technological innovation development outline of China Unicom, which has shown the right direction for the Company's scientific and technological innovation work. By perfecting patent regulations, launching management measures on copyright, revising award selecting measures on scientific and technological results, and improving selection modes, it has chosen a batch of advanced scientific and technological results projects, and entered multiple IPR cooperation agreements; for the whole year of 2006, there were 10 patent awards, the patent application work for 22 results was performed, and the patent statistics and analysis report on competing enterprises and technology theme was completed.

◆ Market requirements oriented scientific and technological innovation has achieved substantial results

One member of Chinese Academy of Engineering

Mr. Liu Yunjie, the former President of the Company became the first member of Chinese Academy of Engineering in the communications operations industry due to his outstanding technical achievements in data communications sector

One national scientific and technological progress award

The Company was awarded First Prize in 2004 national scientific and technological progress award due to multiservice unified platform project, being the only project that won the national First Prize in the communications industry

Multiple technological innovation results

◇ Multiservice unified platform
◇ China Unicom dual-mode mobile system (G&C) solution
◇ Integrated network management system of China Unicom's long distance transport network

First Prize of China Institute of Communications

CDMA1x EV-DO network and service series standards

First Prize of China Communications Standards Association

◇ CDMA handset and card separation technology
◇ SMS service networking system (Uni-Info)
◇ SoftSwitch based multiservice network
◇ China Unicom's integrated intelligent service platform project

Second Prize of China Institute of Communications

◇ General technical specifications of China Unicom's public video switching network
◇ Software architecture mode system study of telecoms operations support system
◇ General technical specifications of China Unicom's public video switching network
◇ Software architecture mode system study of telecoms operations support system
◇ Beijing Unicom's full service payment system
◇ Voice priority system
◇ R&D of China Unicom's CDMA network UTK card

Third Prize of China Institute of Communications

One post doctorate work station

In 2002, it took the lead to set up a post doctorate work station, being the sole one among operating enterprises so far.

◆ Actively participate in the international and domestic standard drafting work

China Unicom actively participates in the international and domestic communications standards drafting work. The CDMA 2G/3G handset and card separation technology proposed by the Company through its innovative study was officially released by 3GPP2, an international standards organization in the end of 2004, which is the first time for China's general technical scheme in the CDMA area to have fully accepted by an international organization, being one of China's important technical innovation projects. In 2006, the Company drafted and released 173 enterprise standards, submitted 54 papers, adopted 37 industrial standards papers, submitted and adopted 18 international papers, participated in the study of international standards and industrial substantial research subjects; set up regular exchange regulations on international standards, and primarily participated in the standardization work of 3GPP for the first time; officially entrusted by CDMA Development Group (CDG) to draft a global standard for mobile communications "dual-network, dual-standby terminals".

3. Business and service innovation

China Unicom actively moves forward business innovation, providing fast response to the market, expanding business categories, continuously launching new telecoms services that are suitable to the requirements of users, and exploring the market with differentiated business advantage. It continuously boosts service innovation, having made a breakthrough in service contents, service measures and service modes; by broadly performing "creditworthy service, rest assured consumption" activity, it has enhanced service level as a whole, allowing users to fully enjoy well-considered communications and information service.

◆ Business innovation

The business innovation of the Company is performed focusing on the brand marketing strategy of the Company.

As the sole carrier in China simultaneously having GSM and CDMA mobile communications networks, China Unicom took the lead advocating within the global range and successfully launching a dual-mode mobile communications product --- "WorldWind", and on such basis, it built up mid and high end user brand of the Company's mobile business. Through dual-network support and free switchover, "**WorldWind**" has enabled people to fast enter the new mobile communications era of the converged GSM and CDMA network from the single mobile communications era. "WorldWind" has truly realized global smoothness, and meanwhile maintaining their number, it can enable users to enjoy rich and abundant value-added service. "**U-Power**" is a brand specially catered by China Unicom for the unique communications requirements of the youth, "U-Power" has satisfied the diversified communications requirements of the young people with its rich value-added service and communications functions. "U-Power" has gradually established its own propaganda platform in music, sports, comic, game and other areas, on one hand having enlarged the spread and applications of

SMS, cooling, Ruiyi mailbox and other mature businesses, on the other through online game over mobile phone, instant communications, music and pictures download, mobile phone magazine and other feature services to enrich brand contents, further satisfying comprehensive information requirements of the youth from life, work, study, communications requirements and other aspects. As the public user oriented “**Ruyi Tong**” brand, at all times, China Unicom pays attention to take facilitating users in their use at the center, provide users with cheap and standardized prepaid and quasi-prepaid products, and through standardized service, allow users to earnestly feel its convenience and practical use. “**New Horizon**” is oriented towards corporate users and industrial users, on the basis of having an in-depth understanding of user requirements, China Unicom has provided users with individualized comprehensive business solutions, industrial product applications, specialized visit service and personalized comprehensive communications and information solutions.

◆ Service innovation

“Serve customers heart and soul and perform service innovation” is the persistent pursuit of China Unicom.

➤ In the beginning of its establishment, it took the lead to launch low-counter service in business halls nationwide, the network access mode of instant activation upon purchase, sending call slips to customers free of charge and other individualized services, allowing customers to feel warmth and respect, which has brought about a fresh air to the Chinese telecoms service area.

➤ Adopt advanced call center technology and set up 10010 free customer service hotline all over the country with unified business specifications, technical specifications and business flows, at the same time setting up 10011 dedicated line for call charge query and 10018 customer club service hotline. Via “10010” and “10011” hotlines, customers can obtain customer services in various aspects, at the same time “10018” can also provide Unicom club members with information service such as business travel, leisure and other rich contents services beyond communications.

➤ Set up and perfect multi-level and layered branding service system. Target four main customer brands of “WorldWind”, “U-Power”, “Ruyi Tong” and “New Horizon” and implement multi-level service.

➤ Actively attempt to converge and utilize social resources, continuously innovate service, allowing service to be more diversified and differentiated. China Unicom has moved forward the construction and development of medical clubs, drivers clubs and golf clubs nationwide, giving prominence to member service differentiation. According to the brand strategy of the Company, it organized revisions on gift point management measures, having realized conversion from gift points of post-paid users in the general preferential system to gift points of brand customers in the special preferential system. The Company has entered gift point exchange cooperation agreements with China Southern Airline and other nationwide partners, kicking off Air China gift point exchange all over the country. In order to enhance the gift point application results, it has initiated “gift points for mobile phone”, “gift points for piglet” and gift point lucky draw activities, which have effectively promoted gift point applications.

➤ In order to facilitate users to use value-added service, and allow them to “make well-informed consumptions”, China Unicom has provided broad GSM users with large capacity (more than 64KB) OTA (On-The-Air download) card. Users can update their own OTA menus that suit them well through SMS, consequently facilitating users to choose personalized, rich and abundant value-added services at their will.

➤ In order to satisfy the mobile data communications requirements of more than 100 million GSM users, it upgraded GPRS (General Packet Radio Service) network of 129 cities nationwide in 2006, and placed it into trial commercial operations on May 17, 2007. Taking GPRS and SMS as the main bearer, China Unicom has provided users with rich and abundant value-added services including “U-Net”, “U-Magic”, “MMS” and so on, of which “MMS” has already interconnected with CDMA “U-Mail” of the Company and “MMS” service of China Mobile, consequently having made it possible to perform multimedia mobile information communication among more than 400 million mobile users nationwide.

➤ Perform “Sincerely Connected — we need your frank views” user opinions collection activity nationwide. Ask users to notify identified problems in the service of the Company, according to suggestions proposed by users, set up corresponding awards so as to give users with a certain amount of awards promoting the Company to improve service.

Perform joint development with stakeholders

The process of China Unicom's implementing social responsibility is the process of joint study, continuous innovation, harmonious interaction and realization of sustained development together with stakeholders. China Unicom pays attention to expectations and requirements of stakeholders heart and soul, actively maintains their rights and interests, continuously enhances development competence and strives to create value for stakeholders.

1. Keep good interaction with stakeholders

China Unicom adheres to open and transparent operations, strengthens communication and exchange with stakeholders, and establishes harmonious relations with stakeholders so as to realize coordination and consistency between the sustained development of the Company and the society.

	Information output	Information feedback	Important examples
The government	Regular briefings Proposals on policy Information submission Participation in meetings Special theme reports	Laws and regulations Policies and instructions Work arrangements Suggestions on operations Check and guidance	Suggestions on “The Telecoms Law”, “The Anti-Monopoly Law”, Three Networks Convergence and other laws, regulations and policies
Customers	Service hotline Customer symposium Regular visits to customers Service notification	Satisfaction survey Consultation and complaints Opinions feedback	“Sincerely Connected —— we need your frank views” user opinions collection activity
Employees	Enterprise culture Internal training Soliciting opinions Internal meetings Internal publications	Good suggestions Proposals to the Employees Assembly Contributing to internal publications	Regulations on Employees Assembly Regulations on Employee Code of ethics President’s Mailbox President’s Reception Day “My idea for Unicom” recommendation activity 《China Unicom》 Periodical
Investors	Information disclosure Organizing meetings	Opinions and suggestions Investment decision making	Shareholders’ Assembly Roadshow Investors symposium
Value chain partners and fellow carriers	Information release Resource sharing Public invitations for tenders Standard drafting	Product innovation Opinions and suggestions Contract execution	Joint R&D Signature of interconnection agreements Implementation of competition and cooperation
Public	Public welfare activity Participation in meetings Environment protection News release Advertisement and publicity	Support of development Harmonious relations Opinions and suggestions Public opinion supervision	Communication with media on a regular basis Participation in relevant associations

2. Actively protect rights and interests of stakeholders

◆ Development of employees and protection of their rights and interests

Adhere to the human centered principle, rely on employees heart and soul to run our enterprise,

promote democratic management, implement the strategy of empowering enterprise with talent, strengthen employee training, enhance their quality, maintain their rights and interests, and realize the joint development of employees and the Company.

➤ **Spare no efforts to provide equal opportunity and construct a multi-element talent team**

China Unicom has always taken respecting human rights and providing equal opportunity as its mission, consistently and strictly abide by relevant laws, regulations and social norms of the country, in the employee recruitment, hiring, promotion and other links, it is strictly forbidden to treat job applicants and employees differently due to race, color, age, sex, nationality and other factor that are indifferent to the interests of the enterprise, at the same time it is strictly forbidden to hire child labor within the enterprise, which is taken as the long term principle followed by the enterprise. It adheres to equality between man and woman and pays sufficient attention to the growth and development of woman employees, of which the quantity of woman employees of the Company has taken up more than 55% of the total, and some of them have entered the management of the Company, and woman employees have made important contributions to the stability and sustained development of the Company. As of 2006 inside the Company, 2 woman employees were chosen as “National March 8th Red Banner”, 1 “National Excellent Woman Worker”, 2 “National Woman Trailbreaker”; 8 units were awarded “National Woman Civilized Post”, and 7 units “National Woman Trailbreaker Post”.

Besides, the Company also attaches importance to maintain the lawful rights and interests of temporary workers, on the basis of organizing them to join labor unions, actively explores ways of maintaining their rights and interests that are suitable to the development features of the Company, and tries our best to maintain their lawful rights and interests.

➤ **Focus on healthy and security of employees**

China Unicom has always paid attention to the healthy and security issue of employees, establishing individualized policies and regulations in two layers of the enterprise and employees, and spreading into various services and work modes of the enterprise so as to provide the most reliable support to employees.

It strictly practices and implements relevant laws and regulations of the country as well as relevant rules, focusing on the improvement of the working environment and production condition, rationally scheduling work time and strength and avoiding operations when tired. At the same time, it strengthens education on employees' security awareness, security technology knowledge training, laws and regulations education and so on, organizing employees to study, discuss, analyze some typical cases of personal injury and equipment damage inside and outside the Unicom system and in the history of their own working units, and learn them for reference, continuously enhancing views of workers on secure production, self-protection sense and group protection level.

At the same time, according to relevant rules, it organizes workers to participate in different forms of medical insurance, insurance on injury suffered on the job, providing economic help to low income workers when they are ill through economic donations, and supporting lawful and rational rights and interests of all employees.

➤ **Pay attention to employees' occupational career development**

China Unicom has long made efforts to the establishment of a learning organization, taking the lead to set up a specialized enterprise training institution among enterprises under the Central Government — Unicom College, closely bringing enterprise development and employees' professional career together, and taking their practical requirements into consideration, working out personalized and oriented training plans for employees through network training, self-help training, professional skill training and so on.

It has set up a professional qualification certification management system for employee, bringing the demonstration role of trial enterprises of the national professional skill appraisal into full play, having established and improved certification training, examinations, certificate issuance system, continuously exploring in depth effective means of professional competence, post recruitment and employees' professional development, which has not only supported the knowledge and competence structure needed by employees in the front line posts but also enriched enterprise competence talent team reserves. As of the end of 2006, among employees in the front line posts, the quantity of those who have passed professional qualification certification had amounted to 25,274, accounting for 45.8% of the total.

It has persistently paid attention to the dual-channel construction of management talent and business/technology talent, striving to bring up a batch of professionally and internationally excellent managers and outstanding business/technology backbone from theoretical training, competence training, on-site practices and other links. As of the end of 2006, there were 7,032 man-times for enterprise operations managing personnel who participated in relevant trainings and 66,628 man-times for business/technology talent, which has satisfied diversified training requirements of employee in different posts and functions but also established a perfect development channel for the fast growth of talent. At the same time, it has established different types of work exchange regulations, which are not only related to mid-layer managing personnel but also cover ordinary employees, meanwhile promoting talent exchange, it has also set up a platform to contact and communicate with various regions.

After talent accumulation and improvement over many years, China Unicom has formed a high quality talent force with rich management experience, solid technical strength and higher development potential. As of the end of 2006, it had more than 63,400 professional and technical talents, of which 27 special technical talents (including 1 member of Chinese Academy of Sciences and Chinese Academy of Engineering, 2 middle-aged and young scientific, technical and management experts with outstanding contributions, 22 who enjoy Special Allowance of the State Council, and 4 national-level candidates who are among New Century Million and Ten Million Talent Project).

➤ **Continuously improve working mechanism for preserving interests and rights of employees**

China Unicom has set up equal negotiation and collective contract regulation, labor contract regulation, labor dispute reconciliation regulation and other labor law supervision regulations. Labor unions at all levels have taken establishing equal negotiation and collective contract regulation as an important work, upholding the principle of negotiating before and entering contract or launching schemes after, striving to the most critical issue in labor relations and the most concerned issue by employees to include in collective contract according to law. Actively assist concerned departments in publicizing the Labor Law to general employees as well as relevant knowledge of labor contract and collective contract, paying attention to combine collective contract and labor contract integrally, and use collective contract to standardize labor contract. At the same time, it has set up and improved collective contract implementation responsibility system and supervision and check regulation so as to guarantee the execution of collective contract. As of the report period, the signing rate of collective contract of the Company is 100%.

➤ **Construct labor relations reconciliation mechanism**

Adhere to the guideline of “Take prevention as the main and combine prevention and reconciliation”, actively promote the construction of labor relations reconciliation mechanism, having set the labor dispute reconciliation committee, which has played an active role in the reconciliation of labor disputes.

◆ **Enhance service quality and actively maintain rights and interests of consumers**

China Unicom adheres to sincere service, normalized service, efficient service and perfect a routine quality service mechanism, continuously enhances customer satisfaction, and actively maintains lawful rights and interests of customers, realizing the value of the Company in the course of creating value for customers.

As early as in 2005, China Unicom made nationwide commitments to customers on four type of services including “in case of call charge error, double return on the error amount; in case of SMS error, make compensations in advance”, “firmly remove consumption traps”, “fair and honest service agreement” and “proper handling of balance left in phone cards”. On such basis, on the eve of March 15th, 2006, it further oriented towards hotspot problems that have an impact on service quality of customers, made service commitments on “remove consumption traps and close complaints handing within a designated time”. In 2007, China Unicom designated the year of 2007 as “the year of quality service” and actively performed “credit service and rest-assured consumptions” activity, making 8 service commitments to users for another time and taking various measures to raise service quality and protect rights and interests of customers.

➤ **Improve multi-level brand service system**

With regard of the four customer brands of “WorldWind”, “U-Power”, “Ruyi Tong” and “New Horizon”, it implements multi-level service. Through customer care hotline, website, SMS, business hall, club and other service channels, by making use of basic service, extension service, additional service and other service contents within and beyond communications, it organizes service products and sets up service standards so as to demonstrate service differentiation and ensure to bring limited resources into maximal benefit.

➤ **Practice the first inquiry responsibility system and fully implement one-stop service**

In business halls, customer care centers, customer managers and service supervision hotline and other service windows of the Company, it strictly practices the first inquiry responsibility system. As for customer service handling, consultation, complaints and so on, no buckpassing, no half-hearted, but one-stop service.

➤ **Simplify flows and solve user complaints within a designated timelimit**

For all window units, it practices a unified complaint handling timelimit service standard, timely handling user complaints with the aim of “response to every piece of complaint”. As for committed time limits, the specific standards are as follows: reply within 1 business day to regular complaints on the average, but no more than 3 business days at most; reply within 4 business day to complicated complaints on the average, but no more than 7 business days at

most; reply within 7 business day to exceptional complaints (namely skipping a level to complain to a higher institute) on the average, but no more than 10 business days at most.

➤ **Standardize SP management, and seriously investigate into and deal with rule breaking customization**

Standardize cooperation with SP, strengthen monitor and control and increase rule breaking handling strength to service quality of all kinds of SMSs. The Company strictly practices relevant service operations management flows and norms, strictly investigating into and dealing with forced customization, arbitrary activation, sending inducing SMSs in group, rule breaking charges and other rule breaking behaviors, prevent the occurrence of lack of clear indications in tariffs and sales of cards for a second time and other problems in service customization. In addition, with regard of hotspot and focus issues in user complaints, in the aspect of user complaint handling mechanism, the Company has set up the unified customer care dedicated seat for wireless value-added service and unhealthy information reporting phone for social supervision: 10109696. 10109696 undertakes user complaint handling for wireless value-added service and receives social supervision reporting on unhealthy information contents, and it has internally set up a complete customer complaint handling mechanism for wireless value-added service.

➤ **Offer honest service and earnestly maintain rights and interests of customers**

Carefully double-check user network access form, contract and agreement, remove any unequal provisions that damage fair transactions of customers. Standardize operations that perform user information registration, network access, activation, change, confirmation and other flows of all types of services, put an end to the behavior of one-sided change of agreement contents; standardize format and contents of user bills, invoices and call details, clearly define unified billing and invoicing time of the day so as to allow users to know all charges items and contents well; carefully examine and confirm charges items from SP/CP's provision of service with the aim of making telecoms services clearly priced.

➤ **Implement “sunshine green network project” and reduce unhealthy information spread**

Starting from 2006, China Unicom has organized and implemented “sunshine green network project” series activities, advocating network civilization, building a harmonious network environment and strengthening governance over unhealthy information.

Perform removing punk electronic information and cleaning network space activity. Strengthen and improve punk mail filtering functions and punk mail handling functions, increase mail system management and anti-virus functions, by relying on Ruiyi mailbox and U-Mail mailbox system, continue to perform well the removal and prevention of punk mails; with regard of the existing hidden dangers in network security, perfect security management regulations,

construct a network security monitoring platform so as to timely discover network security events, detect and look for network security loopholes to be corrected.

Fight network pornography and advocate green mobile phone culture. Perform “the youth green online action”, gradually set up special zones for the youth in Unicom Wangyuan and allied Internet cafes, spread green customer-end software with filtering functions, strengthen contents of Unicom’s “the eye of love” online behavior of the youth, i.e., real-time monitor and control type service spread; emphatically publicize and actively spread “Unicom Chaoxin” (an IM service), “Unicom Mobile Phone Music”, “Outstanding SMS Contest” and other civilized, healthy, featured services and contents with development potential.

Bring law breaking and unhealthy information under control, and build a perfect and long term supervision mechanism. On the basis of the Company’s already existing 10010 customer service platform and 10109696 unhealthy information reporting phone for social supervision, set up 10010 as the nationwide unified SMS complaint reporting number to receive customer supervision, timely collect, combine and trace all types of pornography and inducing and other unhealthy information; at the same time, strengthen access management of information service providers and contents providers as well as service quality supervision management of information service.

Actively undertake social responsibility

China Unicom has an in-depth understanding of responsibility and mission of the Company in the economic and social development, following lofty commercial ethics, advocating good social tendency, implementing citizen's social responsibility of the enterprise and serving the construction of the socialist harmonious society.

Uphold lofty commercial ethics

In the honest and clean government construction aspect, China Unicom has put education, regulation, supervision and other works into various links of production and operations, continuously moving forward and improving the system and mechanism construction of fighting corruption and advocating honesty, continuously enlarging the anti-corruption strength and establishing an anti-corruption "protection network".

The Company has established honest and promise-keeping professional ethics for employees, cultivated employees to foster credit and upright ethic value outlook. The Company has formulated "Code of Ethics for Employees", taking credit as the basic criteria of the spiritual quality of the Company and all its employee, requiring all employees to speak and practice credit, be honest to customers, fellow carriers, partners, colleagues, shareholders, the country and the society. Employees of the Company have entered commitment statements to abide by honest and promise-keeping professional ethics meanwhile signing written commitment to be honest in works.

The Company pays attention to publicity, education and honest and clean culture construction, placing prevention first, raising the incorruptible and self-discipline sense of employees. The Company integrates rich contents of honest and clean education into production and operations activities of the Company, by setting up honest and clean publicity column over OA, sending honest and clean

Practices

In the course of the invitation for tender and bidding work, it practices "contract dual-signature system", entering "honest and clean agreement". At the same time, the Company continuously perfects the supervision mechanism, integrally combining downward supervision from top and upward supervision from bottom, internal supervision and external supervision, employee supervision and dedicated supervision, implementing all-round supervision, forming the overall force of supervision, guaranteeing employees at all levels to properly exercise their functions, which has promoted the establishment of a long-term honest and clean mechanism of the Company.

SMSs to employees, organizing them to watch relevant anti-corruption video programs, and holding honest and clean symposiums and other modes, builds up the lawful operations, honest and promise-keeping, incorruptible and self-discipline environment and atmosphere.

The Company attaches importance to strengthen regulation construction, preventing and

cracking down on corruption behaviors from the source. With regard of some links where corruptions occur easily in invitation for tender and bidding in the project construction, materials procurement, production and operations, meanwhile orienting towards some key and sensitive posts, in accordance with relevant rules of the country, competent authorities and regulatory departments and combining the actual condition of the Company, the Company has drafted a series of regulations and rules, having formed a perfect honest and clean regulation system, standardized various types of behaviors of employees and brought the guarantee role of regulation in punishing and preventing corruptions.

In order to effectively prevent and control the embezzlement risk of the Company, the Company has launched “Provisory Rules on Anti-Embezzlement” and “Embezzlement Report Handling, Survey and Dealing Measures”, has established control environment, risk evaluation mechanism, control measures, information communication channel, supervision mechanism and responsibility investigation system of anti-embezzlement. At the same time, the Company has made all kinds of reporting channels unblocked, carefully handling group letters and visits, and seriously dealing with law-, discipline- and rule breaking personnel. As for any existing operations and management problems identified in the handling process, it has also timely proposed corrective measures and made careful rectification.

Move forward the national economy informatization

1. Construct an elite network and provide a quality network platform for communications and information service

To ensure network coverage competence and stability of network operations is not only one of responsibilities undertaken by telecoms carriers for the social development but also one of important symbols in testing operations strength and service competence of telecoms operating enterprises. As the exclusive full service carrier in China, China Unicom has built mobile communications, optical transmission, data communications and other nationwide public telecoms networks. Of which, its GSM mobile communications network has built a switching capacity of more than 110 million subscribers; since the kick off and construction in 2001, through capacity expansion and upgrade in multiple phases, its CDMA network has upgraded from the initial CDMA IS95A+ to CDMA 1X, which can provide a data transport rate as high as 153.6kbps, and has established its leading advantage in terms of network technology. Its network coverage has increasingly improved with an aggregate wireless network capacity exceeding 84.00 million subscribers. It has built ATM + IP based unified multiservice network platform (China Uninet); in 2005, this project was awarded “National First Prize for Scientific and Technological Progress”, thus becoming the first technical innovation project that received such a great honor in the Chinese telecoms operating industry. The coverage range of long distance phone network, data communications network and Internet has extended to more than 300 cities nationwide, having laid a solid network foundation for boosting the national economy informatization.

Over five years of unremitting efforts, China Unicom has built CDMA network with differentiation advantage into a high speed and healthy “five-star” elite network with excellent confidential performance and bearing multiple data services, the coverage ratio in urban areas has reached 99% while that in rural areas has amounted to 98%, and signal coverage has been extended to sea areas 100 kilometers away, enabling consumers to always travel without any blockage. It is because there is such a nationwide elite network that China Unicom has demonstrated excellent performance in a series of important communications support tasks and substantial emergency events, having provided trust-worthy communications support.

CDMA network challenges communication limit

From September 20, 2005 to the end of October, the Kekexili scientific exploration team consisting of 11 jeeps, 2 China Unicom plateau emergency communications vehicles and other vehicles completed cross-Kekexili investigation for the first time in history, filling a gap in the human scientific exploration history. At the commendation meeting, CDMA was highly praised by the exploration team providing communications support: “In the past, when we entered no man’s land, there were not any communications means, completely relying on our own experience to feel around and go ahead, but I feel as if I brought a five-star hotel to enter Kekexili this time,” Mr. Ding Lin said, the head of the Team, who has participated in the Kekexili region exploration.

At the critical moment: the trustworthy CDMA network of China Unicom

Facing unpredictable natural and man-made disasters and at the critical moment of life or death, CDMA’s powerful communications support has shown its esteem and respect for life, and the component of life has also measured credit-worthiness of CDMA.

At 10 AM on February 2, 2004, on their way to Weizhou Island, Captain Qiu Yuanliang, his son Qiu Chunxiong and 3 boatmen of Beihai City, Guangxi lost their direction amid the increasingly thick fog. At the critical moment of strong winds and turbulent waves, Qiu Chunxiong took out his own CDMA133 mobile phone, attempting to dial the SOS phones of the Maritime Affairs Bureau and Weizhou Township Government. Relying on the unique CDMA mobile phone positioning functions, at last 5 boatmen were successfully saved after having been lost at sea for 14 hours. At the press conference celebrating China Unicom’s users topping 100 million, Captain Qiu Yuanliang attended on a special trip to express his gratitude towards China Unicom. Although many days had passed, this plain fisherman was still full of tears when talking about that experience.

Preventing and fighting typhoon, CDMA network builds a solid communications barrier

In August 2006, Fuding, Ningde and other regions in Northern Fujian suffered powerful typhoon attacks, under the condition of complete interruption of communications signals of brother companies, CDMA network of Fujian Unicom still kept normal operations, guaranteed smooth communications in the disaster areas, having provided reliable communications support to the Party Committees and governments in the disaster areas organizing rescue and disaster relief work. In the rescue and disaster relief process, Fuding Power fully ascertained China Unicom's emergency competence, and stated that it would make more use of Unicom CDMA network within its system so as to satisfy the need in emergency electric power repair. Ningde City's expressway command vehicles are all changed to use CDMA mobile phones in their command and scheduling. After the typhoon, the Party Committee's Office of Ningde City called Ningde Unicom specially to express their gratitude towards Fujian Unicom's support provided to local Party Committees and governments in the rescue and disaster relief.

2. Provide diversified communications service applications

China Unicom makes use of nationwide comprehensive networks, particularly CDMA 1X and GPRS/GSM mobile communications networks, continuously innovates, and provides differentiated value-added service to industrial users and individual users, covering PLAY, LIVE and WORK and many other aspects so as to satisfy diversified requirements of customers.

◆ All-round informatization solutions

China Unicom utilizes its own technical advantages, brings comprehensive telecoms service advantages into full play, taking mobile service as its point of entry assisted with data fixed-line service, having provided corporate customers with corporate customer informatization solutions of "one-location access and overall network service".

➤ **Government informatization**

Make use of information technology, advance office automation, networking and electronization of government departments, fully realize information sharing, and establish networked and electronic information communication channel among government organs, government and the society.

➤ **Industrial informatization**

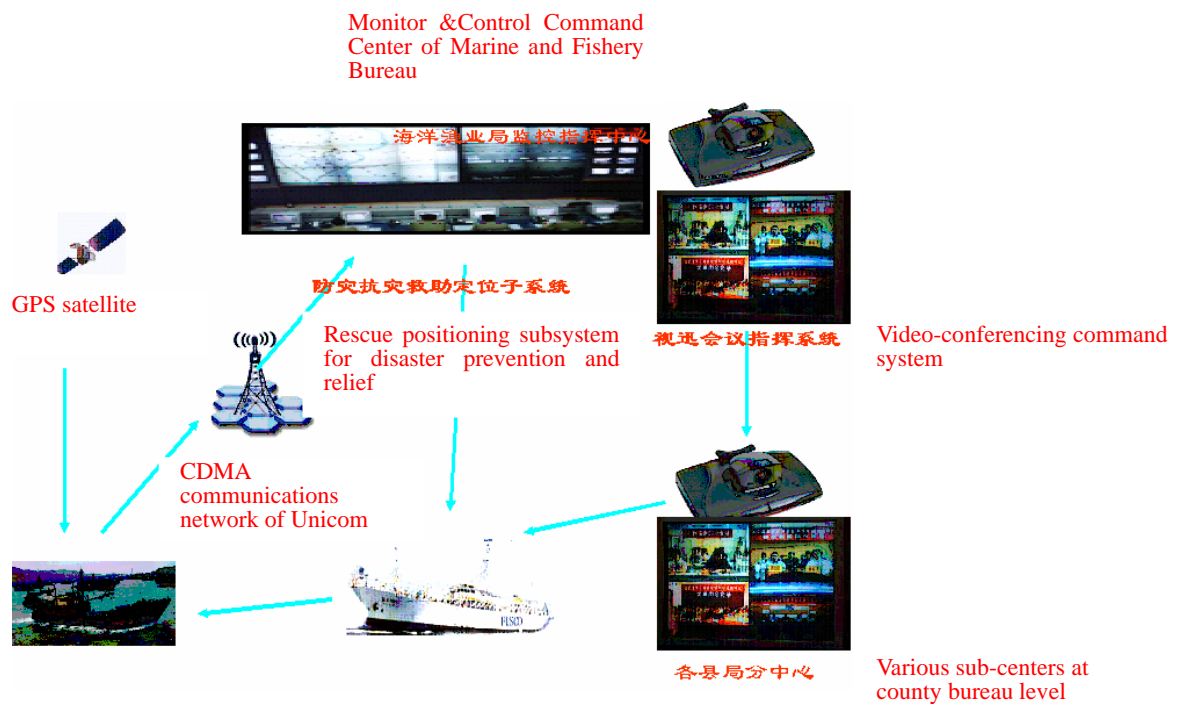
Taking into accounts of industrial features, develop application services that meet the requirements of specific industries, enhance production efficiency, management efficiency and service competence of various industries in an all-round manner.

➤ **Enterprise informatization**

Bring comprehensive telecoms service advantages of China Unicom into full play, provide enterprise customers with integrated solutions for voice service, data service, Internet access and other specific applications, offering a new channel for realizing enterprise informatization.

➤ **“Marine Horizon” enhances fishery production security management competence at sea**

China Unicom brings clear voice quality, wide coverage, high data transport rate and high positioning precision features of CDMA network into full play, actively cooperates with Fishery Bureau of Ministry of Agriculture, and perform a joint R&D and spread of Marine Horizon services. Main realizations are as follows: (1) Boat position monitor and control management functions; (2) Risk alarming and rescue functions at sea; (3) Chinese and English communications functions; (4) Voyage warning and weather forecast, fishery prices information service; (5) Fishing boat management functions and so on. So far, it has spread in 11 coastal provincial branches, having realized good social and economic benefits, and developed a three-win situation of government, enterprise and fishermen.



“Fishery security production early warning scheduling system at sea” established by making use of China Unicom’s CDMA communications network.

On May 18, 2006, the strong typhoon “Pearl” attacked Zhangzhou from the front, of which the central wind speed was around 35 m/s, wind force reached more than Grade 12, being one occurrence in sixty years since Zhangzhou had weather forecast records. Being far from the port, 46 fishing boats of Zhaoan registration were unable to enter the port on their return leg according to the unified scheduling, and also because mobile phones were powered-off, communications contacts were lost with the land one after another. At this emergency time, the emergency rescue function of “fishery security production early warning scheduling system at sea” was timely initiated, the only boat borne CDMA terminal on Fujian Zhaoan Fishing No. 0423 fishing boat was dialed in, the fleet was led into port successfully avoiding the occurrence of one accident.

➤ **SAIC informatization raises SAIC enforcement efficiency**

The “SAIC Enforcement Horizon” project is to realize SAIC system mobile enforcement, mobile office, scheduling and command, food monitor and control, jurisdiction area management, and traffic information and other functions by making use of China Unicom’s CDMA1X high speed wireless data transmission network. This system is the most complete SAIC wireless administration one at home in terms of functions, more than 6,000 front line enforcement personnel from Beijing Administration of Industry and Commerce are equipped with mobile enforcement terminals to utilize intelligent functions terminals to interact with the background data, having realized SAIC system mobile enforcement, mobile office, scheduling and command, food monitor and control, jurisdiction area management, and traffic information and other functions. This project is being spread nationwide.



➤ **“ Police Horizon ” system has strengthened emergency handling competence of public security personnel**



“Police Horizon” system provides mobile virtual network, SMS, CDMA1X, public security force scheduling and positioning, GPSone vehicle positioning, and 110, 122, 119 alarm positioning and other services, having realized information sharing and comprehensive utilization (query and management of population, vehicles, criminals at large and other information) over mobile terminals based upon all kinds of public security service applications, provided strong information support to public security personnel in their fighting crimes, maintaining public security, raising office efficiency and strengthening enforcement competence, effectively increased emergency response speed, and given prominence to the new philosophy of “digital police”. Currently this system is being spread nationwide.

➤ **Coalmine gas monitor and control and early warning**



China Unicom uses CDMA1X technology to collect, monitor and control coalmine gases

In Ningxia, Hunan and other locations, leveraging China Unicom's CDMA1X technology, collection and early warning of deep well gas information in coalmines have been realized, having provided important guarantee to security production of coalmines and life security of mine workers.

➤ **Medical Horizon promotes medical undertaking to develop towards digitization and informatization**

Win time for life — Beijing Unicom installs green channel on ambulances

Time is life, the informatization of medical first-aid system has no time to delay, and Beijing Unicom fully uses informatization measures to serve medical first-aid. In 2006, on ambulances of Beijing City's first-aid centers, Beijing Unicom's CDMA1X wireless transmission first-aid equipment were installed one after another, transmitting blood, pulse, heartbeat and other main medical data of a patient in real time to a first-aid center, doctors in charge there can provide guidance to perform remote rescue, and via medical clairvoyance, such patient's status can be sent to the first-aid center in real time; through this "green channel", doctors at hospital can perform wireless diagnosis on the patient in ambulance according to data and image sent back over the wireless, and arrange next-step rescue measures. In addition to the informatization of medical institutions, Beijing Unicom's "Medical Horizon" has also applied to individual medical information service, individual users can make use of Unicom online to query all types of medical like information; leveraging blue-tooth technology and so on, references of patients can also be sent to medical monitor and control center in hospital via sensors. Patients can perform

online registration and online medical consultation over mobile phone, PC and other terminals. Community health care stations share resources with corresponding medical institutions, allowing patients to enjoy medical extension service nearby.

◆ Rich and abundant individual applications

Leveraging CDMA 1X's high speed wireless data communications network, China Unicom has provided general CDMA users with rich and abundant value-added services that have everything one expects to find. Such value-added services have brought about convenience in basic necessities of life for customers.

➤ Mobile phone music

Users can go online over Internet and mobile phone, dial 10155 voice platform, send SMSs and so on to download their favorite songs as mobile phone ringtones, and they can also set them to personalized ringtones, or order them to send to their friends and so on.

➤ Mobile phone mail

Mail service for anyone, anytime and anywhere. Users can apply for mailbox taking their mobile phone number as user name, China Unicom's "Redberry" functions (PUSH MAIL) can send mails to mobile phones automatically.

Besides basic functions of mailbox service, users can also customize diversified personalized mobile phone magazines (including U-Mail, MMS and other modes), for instance, daily weather forecast information, news coverage, finance information, entertainment information and so on.

➤ Chaoxin

Extend instant communications of Internet to wireless Internet, users can go online over their mobile phone (WAP), by means of BREW customer-end, SMS mode, voice (IVR) and many other modes, realize chat, friends and other functions between mobile phone users, mobile phone user and Internet user.

➤ U-Net

Where a call can be made, then high speed wireless Internet can be used there. CDMA 1X network has realized nationwide coverage from cities to villages, or even to near sea. Due to CDMA 1X network technical advantages, its online speed is 3 times of dial-up access, it is very easy in sending or receiving mails, browsing webpages or downloading files.

➤ Mobile TV

On the basis of China Unicom's CDMA 1X wireless data network, adopt streaming media technology to provide users with mobile video and audio contents service of high quality. One location access, full network service, and there are three modes of direct broadcast, VOD and download. Over their mobile phones, users can watch direct broadcast TV programs in real time, listen to the radio, enjoy music TV and music programs, download wonderful sports events, check road condition information in real time and video contents in basic necessities of life.

➤ Palm stock market

Make transactions anytime and watch price fluctuations anytime and anywhere.

- Network is powerful, ubiquitous, update in real time, and seize opportunity to place order and make profit
- CDMA 1X military technology network, bi-directionally ciphered, and rest-assured transactions
- Authorized cooperation with 100 and more security dealers, contents support is authoritative and reliable
- Diagram display is like PC, friendly interface, easy entry and fast operation

➤ Mobile bank

Mobile payment and e-commerce service through multiple parties' cooperation among China Unicom, ChinaPay, various large commercial banks and service providers, and over Unicom's mobile phone users and Internet users. By bundling a user's mobile phone number and a bank card account number, making use of mobile phone SMS, WAP, BREW, Internet and other operation modes, convenience from personalized payment service and fast payment channel

can be enjoyed Anyone, Anytime, Anywhere. Users can make minor payments through mobile phone bank, for instance procuring software, game point cards, and performing online shopping and so on.

➤ Mobile game

Mobile phone online (WAP), SMS, BREW customer-end and other modes have provided users with rich and abundant living information, news coverage, interactive game and mobile phone will become a more timely and fast handy tool for users in the new media area.

➤ Voice navigation

Individualized navigation functions. Adopt full voice and multiple language voice alert mode in route navigation, removing the trouble of inconveniently viewing mobile phone information for users while in motion, providing users with location like services combining route navigation, points of change in public transport, location search, travel guide and other comprehensive full-range service.

Assist in the new socialist village construction

Advancing rural informatization construction and service, meanwhile helping farmers to be well-off through their hardworking, realizing its own development is one of important contents in the development strategy of China Unicom.

1. Advance the “Communications available to every village” project construction

Since 2004, China Unicom actively responds to calls of the Central Committee of CPC and Ministry of Information Industry according to the meticulous deployment of Ministry of Information Industry, vigorously performs the construction of Communications available to every village phone project. In the condition of shortage in construction capitals, it guarantees investment needs in the Communications available to every village project on priority, fully bringing advantages of various kinds of communications measures into play; as of the end of 2006, it had made an investment of RMB320 million yuan, having completed the construction of the Communications available to every village phone project in 5,783 administrative villages as well as in 236 corps, companies and forest farms in Xinjiang, which had surpassed the task quotas by 15%.

The Company has undertaken the “Communications available to every village” construction in 19 provinces, cities and autonomous regions including Xinjiang, Shanxi, Nei Mongol, Guizhou, Guangxi, Gansu, Yunnan, Qinghai and Sichuan, of which many provinces are the ending ones where China Unicom completed the Communications available to every village work in 100% of administrative villages, and also belong to provinces where the task is very tough. China Unicom has set up a leading group for “Communications available to every village” work headed by President; when a task was received each time, it would carefully study and understand the spirit of relevant files issued by Ministry of Information Industry, implementing various work arrangements and requirements of Ministry of Information Industry on “Communications available to every village project”, taking such project as substantially supervised one by the headquarters and a political task that must be completed, giving favorable policy considerations on capitals and management, moving forward from top to bottom within the Company, overcoming difficulties, executing responsibility, adopting the down-to-earth attitude, actively advancing the implementation work of “Communications available to every village project”, successfully completed “Communications available to every village” task undertaken by the Company, having created a condition for accelerating rural communications development and increasing revenues of farmers, and provided communications support to the rural economic development.

In the selection of project construction scheme, China Unicom has suited measures to local conditions, making a full use of existing network resources to conduct network extension coverage, energetically exploring to adopt multiple technical schemes in moving forward the phone project of “Communications available to every village”, for example, VSAT satellite communications system, GSM/CDMA wireless public commercial phone system, GSM/CDMA

base station mode and so on, meanwhile giving attention to the development of “Communications available to every village” service, providing upgradeable low or high speed data service for some administrative villages. As for regions with rather better economic development, transmission basically in place and having potential mobile service requirements, it adopts the mode using CDMA or GSM mobile communications network to extend coverage; as for some remote and economically backward regions with tremendous transmission investments, it adopts the VSAT satellite communications mode, solving transmission and communications terminal issues together. Besides, taking into accounts of such specific conditions that remote rural areas are poor in electric power support, power supply is not stable and so on, it also added on-off power supply and battery, which has guaranteed the stable and reliable use of “Communications available to every village” phones. In villages where there is no power available, it made use of solar energy power supply to tackle the equipment power supply issue, guaranteeing stable operations of the equipment. Multiple technical schemes are rationally applied, which has extremely saved investments, having surpassed the task quotas with quality, quantity and progress guaranteed at investments 70% lower than the national average cost per village.

The “Communications available to every village” project is time demanding with a heavy workload and complicated environments, and the concerned regions are all backward, remote and undeveloped regions of our country, most of which belong to plateaus, mountainous terrains with bad natural conditions, mountainous roads are steep with laggard traffic conditions. Most base stations are built on high mountains more 4,000 meters above sea level with bad living conditions, mud-rock flows, mountain landslides and other natural disaster often occur in many places. Some base stations are located far away, our engineering personnel went there by bus for several days before arrival at one station, and the labor strength there is high with strong reaction to plateau. All of these constitute a serious test to our project personnel’s body and will. However, our employees had overcome many difficulties, having provided good communications support to farmer brothers’ getting rich and revenue increase, and been praised by local villagers.

Xinjiang: the land is vast but sparsely populated with very bad natural environment, construction locations of the “Communications available to every village project” are mostly on the top of high mountains, and the mountain roads are rugged, it is not possible for vehicles to have access to, there is no road at all in some mountainous areas. However, in order to allow farmers and herdsmen in mountainous areas to bid farewell to the history of phone service being unavailable as early as possible, engineering and technical personnel of Xinjiang Branch simply relied on their feet, accompanied by pancake and pickle, with construction appliances on their shoulder, a road was made step by step; when delivering equipment, if it was near to a village, then they would borrow horses from herdsmen to carry such equipment, otherwise they would just shoulder them there.

Guangxi: Administrative villages that did not have phone service available are mostly 10 kilometers away from a point of switch, mountain roads are steep, and households are separately located, some of which are even not accessible by road, to electric power, it is

not hard to image how difficult and risky the construction was. The constructors of “Communications available to every village project” of Guangxi Branch showed no fear to steep mountain roads, with their hands and shoulders, with buses, rural tractors, or horses where possible, construction project materials of a base station weighing 100 tons were lifted to the mountain top, and one base station after another was erected, turning each sparsely distributed village that did not have phone service available into a “signal village”, which has greatly improved the backward communications status of local farmers.

Inner Mongolia: In 1,000 and more villages that Nei Mongol Branch realized the “Communications available to every village project”, most of which are located in mountainous areas and deserts that are economically backward with vast land and sparse population here and there, traffic being very inconvenient, this had brought about extremely great difficulties to the construction, but those people with Unicom struggling in the front line feared neither hardship or fatigue, carrying forward the camel spirit in the Western desert, setting out everyday when the stars still shone and returning home when streetlamps were turned on, with bread and cold water to support their basic living need, in just such a short period of time as a little more than one month, 1,060 villages that were not accessible to phone service all over the autonomous region are accessible to phone service, a total of 2,120 wireless and fixed-line phone sets are installed. They have surpassed the predetermined “Communications available to every village” task ahead to schedule with quality and quantity guaranteed, having set a good image of China Unicom in the autonomous region.

Gansu: Combining Phase III project of CDMA network, Gansu Branch adopted the mode of raising antenna height and installing high base stations to cover multiple administrative villages, and made use of multiple technical measures including super long distance coverage base station technology and direct-repeater station applications to perform coverage to administrative villages that Communications Administration Bureau requires to provide coverage.

Hainan: In light of the principle of saving investments and making network maintainable and forward-looking to some extent, based on its engineering practice accumulations, Hainan Branch made bold innovations, summarized such a new technical measure of “coverage behind a mountain”, making use of shift frequency technology to receive bypass reflection signals, having successfully solved the coverage problem of villages surrounded by mountains, and greatly saved transmission and base station expenses.

2. Help farmers to increase revenues, dedicated to rural informatization application development

In July 2006, on the basis of summing up rural informatization service experience over many years, China Unicom kicked off “China Unicom agriculture informatization (Agriculture Horizon) project” all over the country, and constructed a unified “Agriculture Horizon” comprehensive service platform.

In order to better serve farmers, China Unicom has specially activated “9280” agriculture SMS service platform and “101095555” agriculture voice service platform, users can dial 101095555, send SMS to 9280/7280/3688 or log on www.101095555.com, then they can obtain or subscribe to the needed agricultural information, for instance farm product prices in various areas, supply and demand information, labor hiring information, news update, agriculture technology, information about becoming rich, attracting foreign investment, labor service training and so on. At the same time, it has built featured provincial branch channel service over its portal website for various provincial branches.



Vice Minister Xi Guohua of Ministry of Information Industry (right), Vice Minister Niu Dun of Ministry of Agriculture (middle) and Chairman Chang Xiaobing of China Unicom (left) jointly kicked off China Unicom agriculture informatization project.

Agriculture Horizon in Sichuan

Tongsi Township, Fushun County of Sichuan Province is the demonstration township for ratooning rice base in the province, having 10,000 and more mu of rice of quality and no environmental pollution, and last year the hybrid rice harvest was in sight. Unicom Agriculture Horizon information staff of Tongsi Township got to know the information that fertilizer prices were about to rise, timely reporting to the township head dealing with agriculture issues, then the township head immediately instructed the township agriculture service center to contact the producer, ordering 250 tons of urea. One week later, the price of urea went up by 20 yuan/ton, this item alone saved 5,000 yuan for farmers, having provided strong support to the ratooning rice production.

Since its establishment, “Unicom Agriculture Horizon Information Workstation” of Guohua Township, Guangyuan City of Sichuan Province has always upheld the mission of “Love and Serve Three Rurals – agriculture, village and farmer”, taking information collection and release as its focus, making applicable information as its target, earnestly helping farmers solve actual difficulties in their production and life. Since 2006, the amount of rainfalls was too large, production in spring just entered a critical period. Director of the agriculture service center in

Guohua Township went to the information workstation and said:“ our unit has a very limited number of people, and riceplant diseases and insect pests occur heavily, it is hard to perform all-round technical guidance, there it requires to send information about prevention and cure of rice blasts and rice plant skippers everyday”. With the consent of the leader of the workstation, it timely sends agriculture technology knowledge provided by agriculture technology departments everyday. Thereafter, the agriculture technology guidance of the Guohua agriculture service center has fully executed within the township range. Since the sent information is applicable, it has provided scientific guidance to the production in spring of farmers, and plant diseases and this year, insect pests have not occurred within the township range due to technology guidance well in place. The agriculture service center director said: “with Unicom Agriculture Horizon, we have saved a lot of walks, technical guidance is sent to the hands of farmers within dozens of seconds, it is truly wonderful!”

Agriculture Horizon in Hebei:

Villager Jia Hongyun from Pulizhuang Village, Zhuozhou City, Hebei Province has 1, 000 meat ducks of muscle type to sell, and sells piglets for a long time. Previously she used to perform sales in the self-production and self-selling mode, which was very troublesome and time consuming. On the second day after she published supply and demand information over “Unicom Agriculture Horizon” website, there were distributors to contact her, and the final revenues grew nearly 5,000 yuan as against the same period in the previous year.



Agriculture Horizon finds its way into every farmer
Informatization brings service to everyone

Promote social harmonious development

China Unicom has fully understood that an enterprise is a provider to social public welfare first, then a beneficiary, placing enterprise benefit into social benefit, realizing mutual transformation between enterprise and social interests, through public welfare marketing activity of the enterprise, deciding its strategic operations outlook of providing returns to the society, upholding a good enterprise image, realizing joint development of the enterprise and the society. Therefore, meanwhile creating value for the country, shareholders and the society, the Company also pays attention to its own enterprise citizen responsibility at all times, attaches great importance to social progress and culture development, actively participates in public welfare cause, and actively makes contributions to promoting China's economic prosperity and development and realizing the magnificent target of a socialist harmonious society.

1. Provide aid to vulnerable groups

Helping vulnerable groups get out of difficulty is an inevitable requirement to realize social coordinated development and sustained development, which is also an obligatory responsibility of every social member. Over many years, China Unicom has upheld the "from the society, return to the society" philosophy, actively performing Tibet-aid and helping the poor development work, vigorously organizing various kinds of activities of helping the distressed and succoring those in peril, broadly participating in social public welfare cause, having made unremitting efforts to promote social coordinated development.

◆ Counterpart aid-Tibet

Geji County of Ali District, Tibet is situated in the hinterland of Qinghai-Tibet Plateau, more than 4,700 meters above sea level on the average, temperature difference is very great, the climate there is bad, and snow-, frost- and wind disasters and so on often occur, the local area is economically backward and the living of the masses is difficult. From 2002 onwards, China Unicom has provided counterpart aid to Geji County. Over 5 years, it has selected and dispatched two batches of Tibet-aid cadres to work in Tibet, having completed the construction of multiple projects in education, health, culture, and infrastructure aspects including the county culture square, professional education training center, housing project, comprehensive office building, workers activity center, gas stations, public toilets, public bathrooms and Ali District communications system improvement, having played an important role in improving the outlook of Geji County, and enhancing production and living conditions of local workers, farmers and herdsmen, and having been ascertained by local cadres and masses.

◆ **Perform poverty alleviation work in designated areas**

Kangbao County and Guyuan County, Zhangjiakou City in Hebei Province are the national-level poor counties. From 2002 onwards, China Unicom has started to perform 10-year poverty alleviation work in Kangbao County and Guyuan County; over five years, it has sent two batches of cadres to reside there to perform work, having made a lot of investment in education, medical care, industrial development, communications infrastructure and other aspects, completed multiple poverty alleviation development projects including middle- and primary school teaching buildings and accessory facilities, township center medical service, dairy cattle breeding sub-region, vegetable wholesale trade market, mushroom planting, forage grass deep processing and the information network platform of County Government and so on. In addition, it has improved mobile communications network coverage in the county area, helping the poor area effectively improve the infrastructure status, promoting the development of the local dominant industry and enabling general masses to obtain practical benefits, which was awarded “Advanced Unit in performing poverty alleviation work in designated areas work” Honorary Title by Hebei Province Government.

◆ **Support nationwide combating “SARS”**

In early 2003, the serious “SARS” epidemic situation occurred in China. In order to support the nationwide combating “SARS” work, China Unicom took the lead in the telecoms industry to perform social public welfare donation. It donated “Uni-Video” broadband videoconferencing system, videophone system and phone cards to the nationwide health departments; donated CDMA mobile phones to the military medical personnel participating in medical rescue work in designated “SARS” hospitals, and assigned dedicated personnel to do system maintenance and all kinds of service works; joined hands with Yao Ming, Unicom New Horizon image spokesman and NBA Star holding a charitable selling and auction and social fund raising activity of jointly combating “SARS” in Shanghai.

◆ **Support Southeast Asian countries to fight Tsunami disaster**

In December 2004, violent earthquake and Tsunami occurred in some Southeast Asian countries. China Unicom carried forward the humanitarian spirit, initiated SMS donation action nationwide quickly, specially set up a nationwide unified SMS donation access number 9260, calling on all Unicom users to donate to Tsunami-stricken areas.

◆ **Organize employees to help the distressed and succor those in peril**

In the spring of 2003, due to droughts suffered for consecutive years, in some townships of Kangbao County and Guyuan County in Hebei Province, a considerable number of families were in difficulty in their living, China Unicom headquarters and its branch and subsidiary companies in Beijing emergently organized to perform a cash and clothes donation activity, donating cash and clothes to extremely poor families.

Branch companies in Qinghai, Yunnan, Zhejiang, Fujian, Fujian, Beijing, Guangxi and so on also organized and performed several cash and clothes donation activities separately, offering their helping hands to local poor areas as well as regions that suffered all kinds of natural disasters, helping them to overcome their difficult time and rebuild their homeland.

2. Support social public welfare cause

In March 2003, "Care via Unicom SMS, Hope Lifted by Everybody", a charity campaign for both "Project Hope" and "Protect the River of Motherland" via SMS, was advocated and officially launched by China Unicom and China Juvenile Development Fund. This time, the fund raised by China Unicom's mobile subscribers will mainly be applied to the construction of "Unicom's Hope Primary School" and the establishment of "Unicom Subscribers Scholarship for Project Hope" in areas of poverty, and the building of "China Unicom Subscribers Forest" along Yangtze River and Yellow River and so on. In this activity, Ningxia Unicom built a "Unicom Public Welfare Forest" covering a land area of 50 mu, where more than ten thousand seedlings were planted by Unicom employees on their own, having supported the environmental protection and public welfare cause with their love and actions.

In 2004, it participated in China's love and caring hotline construction, activating 95178 China's love and caring hotline nationwide and moving forward the information barrier-free project.

In 2005, Red Cross Society of China launched "Red Cross Angel Project", a public welfare program to provide assistance for the impoverished peasantry and children in the field of medical hygiene, China Unicom took the lead to respond, providing full support to the implementation of "Red Cross Angel Project" in the mode of designing and releasing dedicated mobile phone replenishment cards.

In November 2006, China Unicom joined hands with Red Cross Society of China to officially initiate 9993 SMS fund raising number, having built a love platform for minor cash donation and participation into the Red Cross public welfare cause of the general people, all the donated funds were transferred to the public welfare account of Red Cross Society of China for the purpose of its humanitarian undertaking.

3. Support Kekexili scientific exploration and secret-finding action

In July 2005, “Scientific Exploration WorldWind Finding the Secret of Chinese knot -- Chinese Academy of Sciences’ Kekexili scientific exploration and secret-finding action” was officially kicked off, a theme activity jointly initiated by Chinese Academy of Sciences and China Unicom. This scientific exploration activity is a large scale scientific exploration and secret-finding activity performed by human kind for the first time in Kekexili’s no man’s land in the hinterland of Qinghai-Tibet Plateau. From September to the later part of October, 2005 as well as from Mid-October to the later part of November, 2006, the Kekexili scientific exploration team successfully performed scientific exploration and secret-finding actions twice, and obtained remarkable scientific exploration results. As the principal partner and exclusive communications support unit in the scientific exploration activity, China Unicom has provided a complete set of communications system consisting of CDMA network BTS plateau field base station vehicle, plateau satellite emergency communications vehicle, satellite space transponder and other equipment, having provided support to the first and second scientific explorations. In the 3-year scientific exploration activity, China Unicom will provide communications equipment and technical personnel service.

4. Support education development

As a fundamental task crucial for generations to come, education is at the center. Making great efforts to develop education undertaking serves as the fundamental and basis to raise quality of millions upon millions of labor, enhance scientific, technological and cultural quality of the entire people and realize the strategy of revitalizing the country through science and education. Over many years, China Unicom has actively endeavored to support economically less developed areas, poor villages in particular to improve education infrastructure and teaching conditions, help socially vulnerable groups to successfully complete compulsory education or even to receive much better education, consequently moving forward the progress of the Chinese education undertaking.

◆ Invest in and improve education facilities and conditions

In 2004, China Unicom built one “Kangbao Unicom School” in Kangbao Township, Kangbao County, Hebei Province by means of donation, which has solved the problem of attending school by a batch of local primary school students.

In 2005, China Unicom Youth Team for Helping the Poor Students feared no hardships and risks, traveling far to the cold Ali District located in a high altitude and being lack of oxygen, having donated PCs and books to multiple primary schools there.

In 2006, the labor union directly under the Company organized functional organs of the

headquarters and employees of units directly under the Company in Beijing to perform “helping the poor students in Autumn” activity, having donated good books to middle- and primary schools in Kangbao County and Guyuan County, Hebei Province for the purpose of constructing middle- and primary school libraries.

◆ **Support poor students to finish their study at school**

Since its founding, employees within the system of the Company have aggregately participated in the activity of helping the poor and supporting their study 34,000 man times, aiding the poor students 55,000 man times.

From 2003 onwards, China Unicom headquarters and its branch and subsidiary companies in Beijing organized employees to perform “one to one” helping activity, having subsidized the poor students 800 and more man times in the one to one mode in Kangbao County and Guyuan County, Hebei Province.

In 2005, China Unicom set up China Unicom Fund for Helping the Poor Students in Kangbao County, Hebei Province for the purpose of awarding those poor middle- and primary school students all over the county who are both excellent at study and integrity.

Actions in various regions

Guangxi Unicom: in 2005, together with Guangxi Project Hope Office, it launched and set up Guangxi Unicom Project Hope Fund for the purpose of aiding poor students of Guangxi Project Hope Middle School, the first Project Hope middle school to go to university and fulfill their dreams of being an undergraduate, consequently alleviating their hardships on the road to study and giving a helping hand to their success as early as possible.

Yunnan Unicom aided the poor students, and built one “Project Hope” Spring Buds Primary School.

Hubei Unicom implemented “Helping the Poor Students with Love Project” in Yunxi County, Hubei Province; over 8 years, it has continuously donated cash and clothes to one mountain area primary school and one middle school, helping improve teaching facilities, and aiding financially 500 poor students.

Sichuan Unicom has set up China Unicom Scholarship and Stipend targeting poor areas in western Sichuan, encouraging excellent students from poor families to go all out to make the country strong.

Heilongjiang Unicom organized employees to perform the activity of helping the poor students with cash donation and help poor areas improve classrooms.

Hebei Unicom's employees built one “Unicom Hope Primary School” in Gangnan Township in Pingshan County through donation, and supported them in building a school square, donated a batch of desks and chairs and study articles, tailored school uniforms for students, which has received “Advanced Unit in Helping Education with Donation” awarded by Hebei Province Government.

5. Pay attention to special groups

Over many years, China Unicom has paid warm attention to the old, the handicapped, children of rural-immigrant workers, orphans, patients of special diseases and other social special groups, sincerely providing service so as to support them to enjoy life identical to normal groups.

Actions in various regions

- **Shanghai Unicom** and Shanghai Sunshine Service Center for Helping the Old developed through cooperation and jointly launched “Unicom Sunshine Cards for Showing Respect to the Old” oriented towards the living features of the old, having added mobile phone “e-mail” functions, and by making use of positioning functions in mobile phone service areas, providing mobile phone positioning call service to the old, and sending human care to the old. In addition, Shanghai Unicom joined hands with the Handicapped Association to design carefully a series of information service packages for deaf-mute, including Unicom deaf-mute package, establishing the deaf-mute “10013” SMS customer care hotline, joining hands with public security departments to provide 110 SMS police service, setting up dedicated counters for the handicapped, providing gesture language service, barrier-free facilities and so on, allowing deaf-mute to be also able to enjoy communications opportunities as normal people.
- **Tibet Unicom** takes Quzhen Orphanage, the only privately-run orphan school jointly recognized by CCPCC of Tibet Autonomous Region and Lhasa City as its designated aid target, sending living materials to students in the Orphanage on a regular basis.
- **Chongqing Unicom** performed large fund raising and help activity of “Love life, Save Leukemia Children” theme within the company range so as to help leukemia children from poor families in Chongqing City to raise treatment fund and implement humanitarian help.
- **Beijing Unicom** organized employees to perform “Sun Village Love Donation Activity”, donating cash and clothes to Beijing City Sun Village—a charity village that takes care of minor children of persons in jail.

6. Boost community growth

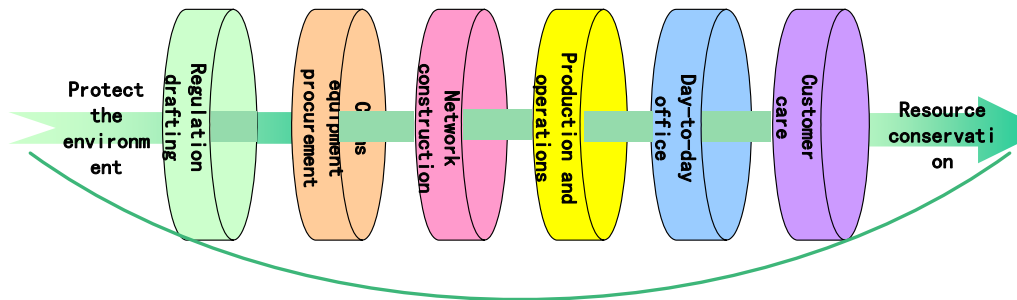
The system within the Company has participated various kinds of community public welfare activities, actively donating cash and clothes; employee have participated voluntary blood donation 11,000 man times.

Practices

➤ **Zhejiang Unicom** takes “From the Society, Return to the Society” as one important philosophy in enterprise development, has actively participated in community construction, proactively contacted Tianshui Street Office, Hangzhou City where the company is situated, having creatively performed the joint community construction activity with “five lians and five gongs” as the bearer. Zhejiang Unicom set up a joint community construction fund, the first one in the province, helping invest in newly building and rebuilding a batch of community culture stations and libraries, actively participating in the renovation of community roads and living area environment. It has taken the lead in building “Unicom Green Park” community information service center that follows the master line of “Unicom—Community—Re-employment”, having hired more than 2,000 laid-off and re-employment people. They plan to set up 3,000 community green park service centers all over the province to hire 10,000 laid-off and re-employment people. During his inspection tour in Zhejiang, General Secretary Hu Jintao paid a special visit to the joint community construction trial unit of Zhejiang Unicom, and highly praised the project.

Earnestly perform environmental protection responsibility

China Unicom has strong environmental protection sense, carefully implements substantial deployment of the country about constructing a resource conservation and environmental friendly society, placing the environment protection and resource conservation philosophy into various links of production and operations of the Company, carrying forward environmental protection and conservation culture by all employees, pursuing a harmonious co-existence between the enterprise and the environment.



Build a system, draft regulations and support environmental protection and saving

From 2005 onward, China Unicom headquarters has set up a materials procurement supervision and management office, and various provincial branch companies have also set up a materials management department as the management department directly responsible for all types of materials all over the system, and mainly dealing with environmental protection measures in supply chain link.

On the basis of organizational support, China Unicom has launched a series of regulations and measures including Measures on project materials management, Measures on operations and maintenance materials management, and Regulations on materials statistics information reporting and submission, performed the system-wide “examine warehouse and check inventory” action, and set up the nationwide materials inventory informatization platform, having laid a basis for grasping the inventory, distribution and custody of overall materials of the Company, and making great efforts to move forward resource conservation and comprehensive utilization.

Pay attention to saving and environmental

protection in procurement and equipment type

selection

In procuring communications equipment, China Unicom adheres to the “buy less but buy right” principle, implements precise procurement and rolls-on procurement in strict accordance with actual requirements and size in feasibility study, prohibits

behaviors that procure above the predetermined amount and buy more, in the prerequisite of supporting network construction and development, enterprise resources are saved and environmental protection work is also promoted.

The Company takes the power consumption level of communications equipment as an important specification determining whether or not it is qualified for network access condition. In 2006, the overall network introduced SoftSwitch equipment, whose power consumption is 30% and more reduced compared to the traditional circuit equipment.

In communications equipment selection, the Company pays attention to the “green” effect of equipment, strictly performs type selection examination, meticulously pick optical fiber and optical cable, transmission system, wireless network equipment, power supply, battery and so on that have no noise, electro-magnetic radiation and pollutants. As for equipment that their specifications do not satisfy “China Unicom Network Construction Norms” specifications requirements, are weak in goods supply, engineering support, maintenance and repair, high in the existing network malfunction rate, or do not conform to environmental protection standards, no procurement is allowed, and supply chain quality is strictly under control. At the same time, it also comprehensively evaluate equipment integration degree, energy consumption, floor space, operating environment requirements, whether or not it can smoothly evolve and other factors, so that the requirements of building a conservative enterprise in an all-round manner can be satisfied from maintenance cost and labor cost at a later stage.

Pursue a harmony between man and nature in network construction

China Unicom earnestly minimizes the impact of telecoms network construction on the environment, performing network construction with environmental protection guaranteed. Rationally planning and selecting communications sites, when conducting field communications routing survey, try to avoid mines, forests, grasslands, wild plants, natural relics, human heritages, natural protection areas, scenic areas and other areas; when laying optical cables, adopt advanced technology to pass optical cables directly underneath barriers, avoid changing the surroundings; when constructing communications base stations, not only draft strict standards on their radiation specifications but also the antenna shape should be coordinated with the surroundings.

CDMA elite environmental protection network of China Unicom

Through continuous improvement, China Unicom's CDMA network has become an elite environmental protection network with broad coverage, good network quality and new service.

Through code division multiple access and power control technology, the receive sensitivity of CDMA mobile phone is much higher but transmit power is much less — CDMA network's transmit power is only 200 mW, regular call power can be controlled at a fraction of one milliwatt, its radiation effect can be negligible, there is no conflict between call and health!

The reduction in base station and mobile phone transmit power also greatly extends the call time of mobile phone, which means an extension of life of battery and mobile phone, having played a protection role in environment and human body, therefore it is called "green" mobile phone.

Practices

Shandong Taian Unicom Innovative thinking realizes coordinated development between man and nature

Mount Tai is complicated in terrain, how to rationally set up sites, not only avoiding the impact of mountains on signals, realizing full coverage, but also making no damage to consistency among cultural relics, ancient trees of a thousand year and other scenes is a difficult issue occurred in design. To this end, design personnel made a thorough test and survey of all areas in the overall Mount Tai region with their footprints all over mountains of Mount Tai, having obtained the first-hand materials. Engineering personnel drafted construction scheme that are coordinated with natural scenes after discussions and revisions many times, having fully made use of the existing buildings and power lines of Mount Tai and selected hidden areas to install the stations that are not easy for tourists to find, which has not only guaranteed the signal coverage in the Mount Tai region but also given outstanding prominence to the principle of environment protection, ecological camouflage and civilized construction.

In order to solve the problem that standardized machine house cannot be constructed, Taian Unicom has made multiple technical innovations. In the principle of broad area coverage with base station and key coverage with direct repeater station, adopt shift frequency direct-repeater stations to solve the problem of terrains restricting transmission resources. Choose environmental protection type and ecological type antenna, enabling that its color and shape are consistent with the surrounding scenes, for instance, in the form of bionic trees, shaped landscape towers, roof landscape lamps and so on. Installation and maintenance of all equipment will not bring damage to the original environment, sufficient consideration has been given to the protection and keeping of landscapes.

Pay attention to enhancing utilization efficiency and benefit of materials in production and operations

In its production and operations, China Unicom greatly advocates equipment reutilization, exploits potentials and reduces expenditures, when preparing feasibility study report, considering the issue of utilizing old equipment, prior to procurement, first checking inventory, including the equipment reutilization work into day-to-day management procedure of the enterprise, guaranteeing equipment, printed circuit board, power supply, accessories and other equipment put aside idly due to network adjustment and technical update to be properly kept, information shared and adjusted in a unified manner, equipment discarding has been reduced and delayed to some extent, which has not only protected enterprise's assets but also reduced

waste and pollution ensuring sustained and stable development of the environment.

Attach importance to control cost and reduce energy consumption in day-to-day office

Inside the Company, China Unicom attaches importance to control cost, actively advocating employees to enhance conservation sense and save resources. Construct an MSS office automation system, and advocate paperless office. Substitute the traditional conference with videophone conference as much as possible.

Properly handle discarded materials and meet the “green standard”

Mobile communications network operations will continuously give rise to discarded equipment that need to be handled as the discarded. Therefore, China Unicom has had strict requirements and handling procedure at all times, carefully selecting professional materials recycling companies, preventing from pollutions to the environment and satisfying the sustained development requirements.

Actively lead customers to use electronic measures and save resources

China Unicom strengthens the management of the requirements side, actively innovating and developing “online service hall”, “on the air service hall”, electronic payment channel and so on, encouraging customers to use electronic measures, realizing cardless and removing terminal constraints, which not only facilitates customers in their use but also realizes resource conservation.

Practices

➤ **In Beijing,** in 2006, Beijing Unicom joined hands with Beijing ICBC’s branch institutions to launch replenishment payment service for mobile phone users using ICBC account number. Mobile phone users perform registration by dialing ICBC’s customer care phone number 95588, bundle individual bank account number and mobile phone number information, and only one registration is needed. Dial Unicom replenishment phone number 96533, then it is ready to perform replenishment payment for one’s own mobile phone or others’. This service is easy to use, flexible and convenient and has no temporal and spatial constraints, which has better satisfied personalized requirements of users who already have bank cards, effectively enhancing customer’s satisfaction; using bank account number for replenishment payment can save a lot of replenishment card production, circulation and management costs.

➤ **In Guangdong,** in 2006, Guangdong Unicom kicked off “on the air service hall”, which has such features as simple charges mode, low threshold and cost and so on, having realized cardless and removed terminal constraints, saved production, management, transportation and other costs of entity cards, which has enhanced the security of payments and decreased risks as a result of lost or fake entity cards.

Look into the future

Information civilization is the powerful impetus to today's society to go forward, a strong productivity for saving social resource and raising social labor productivity, and an important factor to promote social sustained and harmonious development. As a state-owned large backbone enterprise in the rank of world-class important communications carriers, China Unicom is actively implementing a development strategy for an "internationally first-rate comprehensive communications and information service provider". Moving forward social informatization process, leading social civilized tendency and sharing information civilization results with the entire society is a glorious mission of the enterprise. At the moment that in the global development, more attention has been given to sustainability, harmony and unity with natural environments, and social public welfare cause development, we has prepared this corporate responsibility report for the first time, which is a piece of responsibility and a kind attitude, and our eternal commitment even more to promote social harmonious development and act as outstanding enterprise citizen.

The sharp edge of a sword is a result of professional hardenings. With the growth over 13 years, China Unicom has promoted the fast and harmonious development of the industry, and moved forward social information civilization progress with its own reform and development results. We will never forget that the development of enterprise is inseparable from care and support of all walks of life and general users. We have a deep understanding that performing coordinated and unified development with the society, the environment and various stakeholders is the responsibility of the enterprise to fulfill. As for a late entrant into the industry, these feelings are even more profound.

Facing the future of opportunities and challenges in coexistence, we will as always uphold harmonious development of the enterprise and the society. Pursue harmony in development, promote development in harmony, and strive to make the enterprise bigger and stronger, enhance our own strength with better and faster development, and raise the competence of serving social informatization. Meanwhile pursuing economic interests, raise social citizen sense of the enterprise, and attach importance to realize social value maximization. In the development in the days to come, we will move forward with all stakeholders, cherish environmental resources, pay attention to social public welfare, aid vulnerable groups, support education undertaking, and provide assistance to community construction. At the same time, we uphold the human centered principle, strengthen internal control construction, attach importance to cultural construction, show solicitude to the growth of employees, build harmonious labor relations and realize the joint growth between employees and the enterprise.

From the society, and return to the society. China Unicom will deeply implement the scientific development outlook, do various works well in an all-round manner, making its contributions along the road of constructing a socialist harmonious society.

Social evaluations

- ◆ In 2002, China Unicom ranked 29th in China Top 500; and in 2003, it went up to the 25th position
- ◆ In 2003, Mr. Yang Xianzu, the former Chairman of China Unicom was awarded “2002 CCTV Top Ten Men of the Year Award in China Economy”
- ◆ In 2004, China Unicom ranked 454th in Forbes 500
- ◆ In 2004, China Unicom received “China Top 10 Listed Companies” Title
- ◆ In 2004, China Unicom was chosen by Business Weekly into “Global IT Top 100 Enterprises”, ranking 19th
- ◆ In 2005, “China Unicom Multiservice Unified Network Platform” was awarded “National Scientific and Technological Progress Award” First Prize
- ◆ In 2005, China Unicom’s rural informatization project “Tianfu Agriculture Information Network” received an award at UN Information Summit
- ◆ In 2005, the Company’s G&C dual-mode mobile communications system was awarded First Prize in the category of science and technology by China Institute of Communications
- ◆ In 2006, Mr. Chang Xiaobing, Chairman of China Unicom was chosen by CCTV and other media to win the “2006 Most Valuable Manager Award in China”.

Attachment

Explanation on this report

This report is the social responsibility report of China United Telecommunications Corporation released to the society for the first time. The report is prepared accordance to the standard of Global Reporting Initiative (GRI) G3 version, and provides specifications indexes that embody the Company's performing social responsibility. In light of the authentic, objective and transparent principle, the report covers important information of China United Telecommunications Corporation and its branch institutions in such aspects as performing economic responsibility, social responsibility, environmental protection responsibility and so on. Since it is the first release, therefore the report mainly covers the year of 2006 and extends forward appropriately.

Thank you for taking your time to read this report. We sincerely look forward to your feedback so as to enable us to do better.

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<http://www.chinaunicom.com.cn>

G3 specifications index

GRI number	Contents	Whether or not it is relevant in the report	Location in the this report
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	Organizational Profile		
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2.5	Names of countries where the organization operates, and names and number of countries that are relevant to the report	○	
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LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	○	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	○	

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LA9	Health and safety topics covered in formal agreements with trade unions	○	
LA10	Average hours of training per year per employee by employee category	●	P25-28
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S02	Percentage and total number of business units analyzed for risks related to corruption	○	
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S05	Public policy positions and participation in public policy development and lobbying	●	P25
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	○	
S07	Total number of legal actions for anti- competitive behavior, anti-trust, and monopoly practices and their outcomes	●	P25
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PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	○	
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PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	○	
	Environmental protection benefits		
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EN2	Percentage of materials used that are recycled input materials	●	P62-63
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EN9	Water sources significantly affected by withdrawal of water	○	
EN10	Percentage and total volume of water recycled and reused	○	

EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	○	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	●	P60-62
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EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	○	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	○	
EN30	Total environmental protection expenditures and investments by type	●	P59-63

- Note: "●" indicates that it is relevant or sufficient in this report, "○" indicates that due to statistical reasons, some data are not able to be provided for the moment, or due to features of telecoms operating enterprises, the relevance is rather weak, therefore it will not be explained one by one in the text of this report.

Specifications index for the telecoms industry

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		Approaches to Provide Communications		
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	PA3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	●	P34-36
	PA4	Quantify the level of availability of telecommunications products and services in areas where the organization operates, including the number of customers, market shares, population penetration and area penetration	●	P1, P8
	PA5	Number and types of telecommunication products and services provided to and used by low and no income sectors of the population, including how to set prices, such as call price per minute and charges collected per flow in backward areas and so on.	●	P44-49
	PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	●	P34-36
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	PA9	Capital investment in electro-magnetic study, please describe currently relevant on-going projects in details	●	P60
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	PA1 1	Proactively notify customers of features and performance of products, allowing customers to effectively, cheaply and ecologically use such products	●	P21-23
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	TA2	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects	●	P63-64
	TA3	Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size, or potential savings	●	P36-41
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	TA5	Description of practices relating to intellectual property rights and open source technologies	●	P20

- Note: "●" indicates that it is relevant or sufficient in this report