



**Announcement in respect of Notification to the company by the relevant regulatory authorities on 30 June 2001 that mobile telephone network connection fees and local telephony trunk installation fees will be abolished with effect from 1 July 2001.**

30 Jun 2001

The board of directors ("Board") of China Unicom Limited ("Company") hereby announces that the Company was notified by the relevant regulatory authorities on 30 June 2001 that mobile telephone network connection fees and local telephony trunk installation fees will be abolished with effect from 1 July 2001.

The estimate  
been audited. Investors are cautioned not to rely unduly on such estimates.

Effects on the company of the abolition of mobile telephone network connection fees and local telephony trunk installation fees

From January to May 2001, income of the Company from mobile telephone network connection fees was approximately RMB 190 million. During the same period, payments made for local telephony trunk installation fees were approximately RMB 8 million. Having regard to the increasing proportion of new subscribers being pre-paid subscribers, and the decreasing trend in mobile telephone network connection fees, the Company estimates that, after the abolition of mobile telephone network connection fees, the Company's revenue for the second half of 2001 may be correspondingly decreased by approximately RMB 80 million. After the abolition of local telephony trunk installation fees, the Company's expenses for the second half of the year will be decreased by approximately RMB 10 million. With the above factors together, the profits of the Company in the second half of the year may be reduced by approximately RMB 70 million.

The above is for reference only. The Board believes that, although the abolition of mobile telephone network connection fees will reduce the Company's mobile telecommunications revenues, at the same time it will also stimulate demand in the mobile telecommunications market, and increase the Company's mobile telecommunications revenues. Thus the Board believes that the abolition of mobile telephone network connection fees and local telephony trunk installation fees will not have an adverse impact on the Company's profits.

In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.