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CHINA UNICOM LIMITED (Stock Code: 762)
(Incorporated in Hong Kong with limited liability under Companies Ordinance)

**ISSUE OF US\$1,000,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2009
CONVERTIBLE INTO ORDINARY SHARES OF CHINA UNICOM LIMITED**

Reference is made to the announcement issued by the Company dated 20 June 2006 in relation to the Bonds Issue.

The Board hereby announces that the completion of the Bonds Issue took place on 5 July 2006.

Reference is made to the announcement issued by China Unicom Limited (the “Company”) dated 20 June 2006 in relation to the Bonds Issue.

COMPLETION

As all the conditions under the Subscription Agreement to which completion of the Subscription Agreement and the Bonds Issue is subject were satisfied on 5 July 2006, the Board hereby announces that completion of the Subscription Agreement and the Bonds Issue has taken place.

TERMS USED IN THIS ANNOUNCEMENT

Bonds the Zero Coupon Convertible Bonds due 2009 of an initial aggregate principal amount of US\$1,000,000,000.

Bonds Issue the subscription and issue of the Bonds with an initial aggregate principal amount of US\$1,000,000,000.

Subscription Agreement a conditional subscription agreement entered into between the Company and SK Telecom Co., Ltd. on 20 June 2006 in connection with the issue by the Company of the Bonds with an aggregate principal amount of US\$1,000,000,000.

By Order of the Board of
China Unicom Limited
Chu Ka Yee
Company Secretary

Hong Kong, 5 July 2006

As at the date of this announcement, the Board of the Company comprises:

Executive directors: Chang Xiaobing, Shang Bing, Tong Jilu, Li Jianguo, Yang Xiaowei, Li Zhengmao, Li Gang and Zhang Junan

Non-executive director: Lu Jianguo

Independent non-executive directors: Wu Jinglian, Shan Weijian, Cheung Wing Lam, Linus, and Wong Wai Ming

Please also refer to the published version of this announcement in South China Morning Post.