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Forward-looking Statements



Certain statements contained in this presentation may be viewed as "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934 (as amended). Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, we do not intend to update these forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") and in the Company's other filings with the SEC.

Management Present



Mr. Wang Xiaochu	Chairman & CEO
Mr. Mai Yanzhou	Senior Vice President
Mr. Liang Baojun	Senior Vice President
Mr. Zhu Kebing	Executive Director & CFO
Mr. Fan Yunjun	Executive Director & Senior Vice President
Mr. He Biao	Senior Vice President



Overall results

Financial performance

Highlights



- Sustainably enhanced growth quality & profitability through active transformation & in-depth mixed-ownership reform
- Adjustments in mobile development priority delivered initial success
- Fixed-line business re-ignited rapid growth by empowering government & enterprise customers
- Innovative businesses continued to grow robustly with huge value embedded
- Successfully achieved 5G network "co-build co-share", effectively enhancing edges & return
- To push forward comprehensive digital transformation to firmly promote high-quality development

Resilient Results amid Epidemic





Precise control & prevention of the epidemic, while accelerating comprehensive digital transformation



Innovating communications service offerings to turn adversity into opportunities

(RMB Mil)	1H2019	1H2020	Change YoY
Service Revenue ¹	132,957	138,335	4.0%
Industry Internet Revenue	16,718	22,673	35.6%
EBITDA ²	49,507	49,452	-0.1%
As % of Service Revenue	37.2%	35.7%	-1.5рр
Net Profit ³	6,877	7,569	10.1%
Basic EPS (RMB)	0.225	0.247	10.1%

Outperformed industry revenue growth⁴ of 3.2% yoy & GDP growth of -1.6% yoy

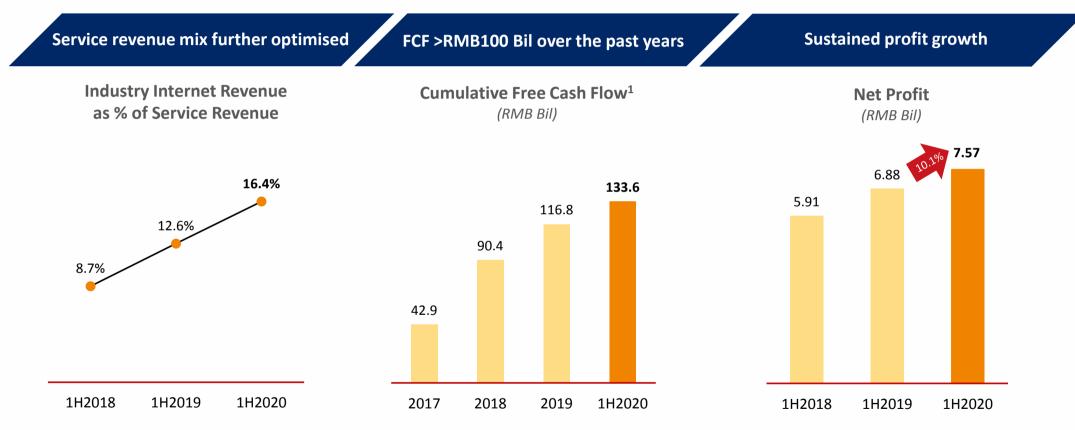
Note: Unless otherwise stated in this presentation,

- 1. Service revenue = operating revenue sales of telecommunications products.
- 2. EBITDA = profit for the period before finance costs, interest income, share of net profit of associates, share of net profit of joint ventures, other income net, income tax, depreciation & amortisation.
- 3. Net profit represented profit attributable to equity shareholders of the Company.
- 4. Industry data sourced from MIIT website.

Growth Quality & Return Continued to Improve



Focus · Innovation · Cooperation · Proactive Transformation

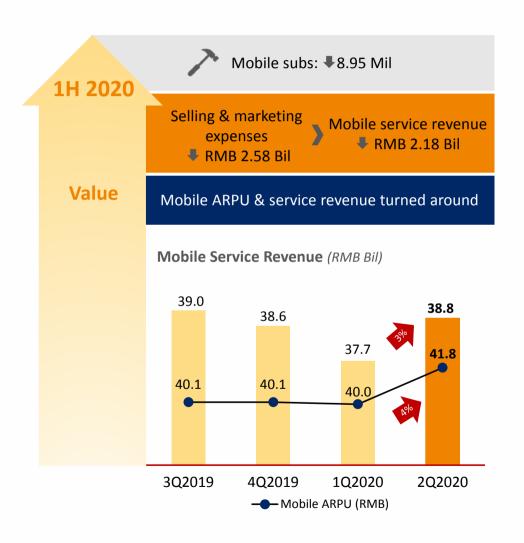


Note:

^{1.} Calculated the cumulative free cash flow generated since 2017, and excluded the impact of the adoption of IFRS 16 on free cash flow in 2019 & 1H2020, i.e. free cash flow = operating cash flow – CAPEX – capital element of lease rentals paid

Adjustments in Mobile Development Priority Delivered Initial Success



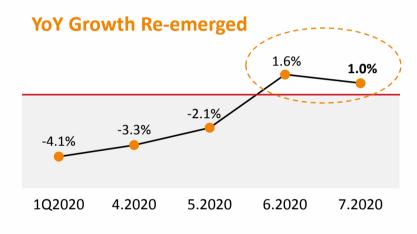


- Strengthened self-discipline on rational & orderly competition to deepen value-oriented operation
- Shifted focus from subscriber scale to quality & value
- Continued to strengthen Internet-oriented transformation & innovative differentiated operations
- Rigorously controlled customer acquisition cost, ineffective & low-value products & channels
- Stepped up 5G customer acquisition in a paced & targeted manner

Mobile ARPU & Revenue Trended Steady-to-Rising



Mobile Service Revenue Growth (YoY)



- Promote consumption upgrade through 5G innovative applications
- Leverage privileges, content & financial tools to improve product value, while strongly enhancing pan-integration penetration
- Step up promotion of new products integrating "communication capability + smart hardware + content & applications"
- Optimise performance management system & deploy Big Data analytics to enhance targeted marketing & customer retention

2H2020

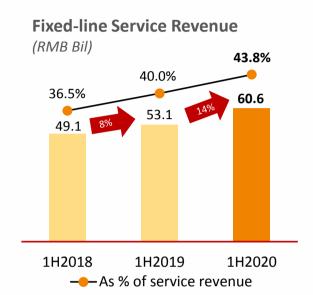
5G network deployment acceleration
Proliferation & declining price of 5G terminals
More prevalent innovative applications

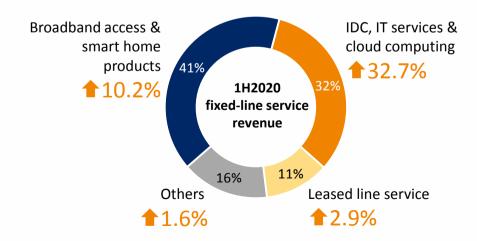
Accelerate 5G subscriber growth

Sustain growth in ARPU & service revenue

New Growth Engine in a New Era







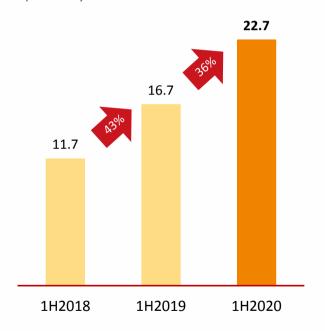
Rapid fixed-line business growth re-ignited

- "New Infrastructure" policy & the epidemic further boosted demand for digitisation, cyberisation & intelligent transformation of the economy & society
- Broadly integrated development of innovative and fundamental businesses for mutual promotion
- Actively leveraged proprietary resources & edges to empower government & enterprise customers and enhance family customer experience & value
 - 3 "gigabit-network" resources
 - "Cloud + networks + applications" integrated servicing capability
 - Innovative business servicing capability
 - Better customer insights brought by the long-term & wellestablished relationship with government & enterprise customers
 - Mixed-ownership reform advantages

Strong Growth Momentum of Innovative Businesses



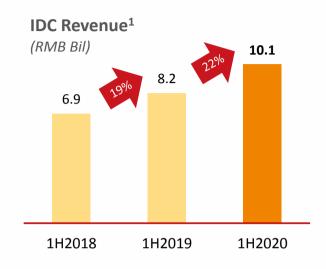
Industry Internet Revenue (RMB Bil)

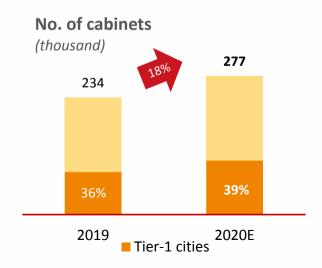


- Promoted the new integrated sales model ("cloud + smart networks + smart applications"), focusing on key industries application products
- Established innovative mechanism segregated from fundamental service, strengthened incremental return sharing mechanism, piloted core employee stock ownership scheme & profit sharing incentive for tech positions
- Strengthened innovative talent development with over 7k talents; recruited leading talents of CTO & senior architects at subordinate companies on a market-oriented basis
- Deepened business cooperation with strategic investors & industry leaders, with a number of JVs established, creating powerful alliance & synergising edges
- Enhanced product standardisation & scale replication to expand margin progressively
- Actively nurture innovative 5G + vertical applications

IDC Business - Capture "New Infrastructure" Strategic Opportunities







Competitive advantages:

- Actively leverage integrated servicing edges (IDC + cloud + networks + applications) to offer total solutions
- Remarkable cost efficiency backed by the Group's extensive resources & capabilities, e.g. network infrastructure, operation & maintenance, marketing, etc.
- 551 IDCs nationwide with centralised operation yield significant scale benefits & well-positioned to answer rising demand of CDN & MEC
- Key customers include our strategic investors (such as Tencent, Alibaba, Baidu, JD.com), financial institutions & government entities, etc.
- 2020E CAPEX & capacity pipeline: RMB2 Bil (focusing on high value and high demand areas), with >1/2 of new cabinets located in tier-1 cities
- 1H2020 average utilisation rate: >60%

Note:

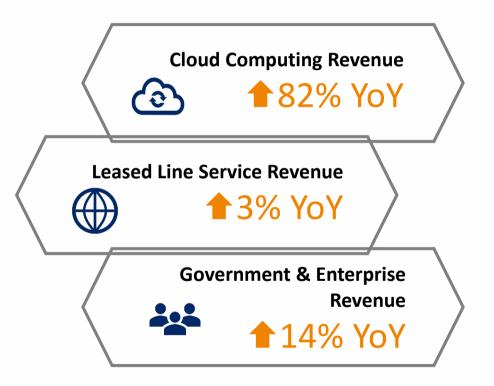
1. IDC revenue included IDC outbound bandwidth revenue.

Government & Enterprise Business Achieved Scale Breakthrough



Integrated business model of "cloud + smart networks + smart applications" promoted the mutual development of innovative business & fundamental business

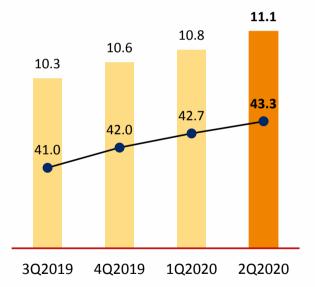
- Focused on key industries & key regions
- Launched "5G Lighthouse Initiative" to appeal & engage with industry-leading customers, while exploring innovative 5G business model
- Strengthened the centralised operation & unified platform for cloud computing, Big Data, IoT, AI & network security, enhancing the replicated use of fundamental capabilities to improve margin and delivery efficiency
- Enhanced R&D centralisation & product standardisation to push forward scale development & efficiency improvement
- Stepped up proprietary integration delivery capabilities to create differentiated edges



Broadband Service Sustained Positive Trend



Fixed-line Broadband Access Revenue (RMB Bil)



Fixed-line Broadband Access ARPU (RMB)

Showcasing high-speed & smart home products advantages

- The epidemic prompted demand for broadband network deployment & speed upgrade
- Adhered to rational & disciplined competition while promoting "3 gigabit integrated products" (gigabit 5G, gigabit broadband & gigabit Wi-Fi) in incumbent regions in Northern China & provincial capitals in Southern China
- Further raised network utilisation & deeply pushed forward broadband cooperation in Southern China
- Focus on creating new edges such as integrated operation of marketing, maintenance & service, synergised operation of business & network

5G Network Deployment







Dynamic investment with due regard to technology advancement, value chain maturity, market & business demand, etc.



Achieve 5G network quality comparable with the leading operator

1H2020 ≈RMB12.6 Bil

- Added ≈150k 5G BTS, co-built & co-shared with China Telecom
- Achieved contiguous coverage in >50 cities with 210k
 5G BTS, of which China Unicom built >100k
- Certain provinces successfully upgraded 4G BTS to 5G BTS by software at 2.1GHz band, while equipped with 3G / 4G / 5G functions through SDR
- 5G network upgrade to SA (standalone), assuring commercialisation in 4Q2020

2020E ≈RMB35.0 Bil

- Co-build & co-share 250k 5G BTS with China Telecom, targeting to complete by end of 3Q2020
- >300k 5G BTS in service covering all prefectural cities nationwide
- Sharing of 300MHz of contiguous spectrum in 3.3-3.6GHz band, mainly for city coverage: 200MHz for outdoor (max.) & 300MHz for indoor (max.)
- Promote hybrid network deployment at 2.1GHz & 3.5GHz bands to enhance network capability and lower TCO (total cost of ownership)

Successfully Achieved 5G Network "Co-build Co-share"



Effectively Sharpen Edges & Return with Win-win

Network deployment pace, coverage & speed

ALL DOUBLE

- Achieve 5G network scale, coverage & quality comparable with the leading operator
- Spectrum sharing to achieve the world's prevailing fastest network speed of low-to-mid bandwidth: 2.7Gbps
- Boost 5G customer experience & partners' confidence



> RMB 40 Bil in CAPEX savings for the two operators combined



Substantial savings in OPEX including tower usage fee, network maintenance costs & utility charges for both parties

Expand "co-build, co-share & co-maintenance" with China Telecom

Drive 4G network sharing in scale to fast rectify network shortcoming economically to support business development



Promote "co-build, co-share & co-maintenance" of transmission resources such as pole lines, pipelines, etc.



5G subscribers grew steadily as planned in 1H2020



Assuring customer value & experience enhancement: promoted 5G packages in a paced & targeted manner aligning with the progress of 5G network deployment & 5G handset supply



Build 5G capability aggregation & open platform; leverage innovative cooperative model to drive featured services such as HD/4K/8K video, AR/VR, cloud gaming, etc.



Promote extensive value-chain cooperation to build a 5G pan-smart device ecosystem, integrating "device + content + application" to empower consumer Internet market development



Focus on 5G touchpoint & integrated O2O multi-dimensional scenario targeted marketing



5G terminal ASP continues to decline and gains adoption. 5G handset shipment rose to 61% of the overall handset shipment in China in June 2020



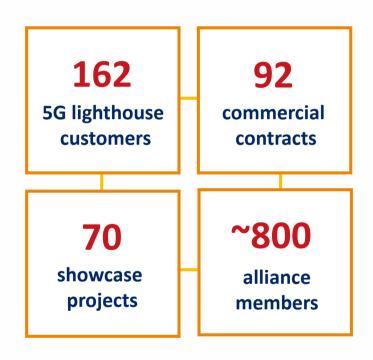
5G subscriber growth sets to accelerate in 2H2020, as 5G network, terminal & applications gain maturity

5G – Government & Enterprise Customer Market



Mid-to-long-term: huge growth potential for 5G government & enterprise application revenue

- Successfully commercialised a number of 5G lighthouse projects in industrial Internet, smart cities, healthcare, transportation & logistics, new media, energy & mining, etc.
- Accelerate industry products incubation "integration + operation" products, "smart connection + data traffic" products, "open platform + application" products
- Promote industry eco-system with solid development of "China Unicom 5G Application Innovation Alliance" to empower customers
- Incorporate 5G + ABC elements into industry solutions to create competitive advantages



China Unicom 5Gⁿ Unique Edges

system by end of the year



To drive revenue growth & value enhancement in future

Potential collaboration

with 14 strategic investors & benefits from market-oriented system & mechanism reform, leveraging mixed-ownership reform

100% user to be migrated to cBSS

Well-established Internetoriented mindset & operation

212C

- O2O omni-channel sales & marketing synergy
- Cloud-network integration and "four advancements" of networks

Efficiently enhance edges & return with 5G network "co-build co-share"

1+1>2

Established long-term relationship with government & enterprise customers; innovative business capabilities

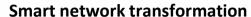
Promote High-quality Development



Returns

Competitiveness

Efficiency



- "Four advancements" of networks
- Cloud-network integration

Co-build & Co-share

Product & channel operation transformation

- Internet-oriented products
- O2O integration

System & mechanism transformation

- Structural reform in the areas of marketing, government & enterprise service & network
- Sub-division reform in all production scenarios

To push forward comprehensive digital transformation

Government & enterprise customer service transformation

- Platform-based capability
- Product standardisation
- Centralised R&D
- Proprietary integration delivery

IT capability transformation

- Centralised IT edges
- Construction of smart middle office

Accelerate China Unicom's "Five New" establishment



Fully unleash the advantages of mixed-ownership reform



Persistent in deepening the Strategy of Focus, Innovation & Cooperation



Overall results

Financial performance

Key Financial Information



(RMB Mil)	1H2O19	1H2020	Change YoY
Operating Revenue	144,954	150,397	3.8%
Operating Expenses	(137,238)	(142,257)	3.7%
Operating Profit	7,716	8,140	5.5%
Finance Costs	(1,180)	(859)	-27.2%
Interest Income	645	682	5.7%
Share of Net Profit of Associates ¹	689	732	6.2%
Share of Net Profit of Joint Ventures ²	326	257	-21.1%
Other Income – Net	543	784	44.3%
Income Tax	(1,849)	(2,138)	15.7%
Net Profit	6,877	7,569	10.1%

^{1.} Share of net profit of associates mainly included share of net profit of China Tower Corporation Limited.

^{2.} Share of net profit of joint ventures mainly included share of net profit of Merchants Union Consumer Finance.

Effective Cost Control



(RMB Mil)	1H2019	1H2020	Change YoY	
Operating Expenses	(137,238)	(142,257)	3.7%	Growth rate lower than operating revenue growth rate
Interconnection Charges	(5,779)	(5,094)	-11.9%	Mainly due to decline in interconnection voice traffic
Depreciation & Amortisation	(41,791)	(41,312)	-1.1%	Mainly benefited from good control of CAPEX in recent years
Network, Operation & Support	(20,800)	(22,220)	6.8%	 Mainly due to growth in charges for the use of premises & equipment & towers
- Tower Usage Fee ¹	(5,106)	(5,452)	6.8%	Mainly due to the expansion of network scale
Employee Benefit	(25,192)	(27,503)	9.2%	 Mainly due to the ongoing effort in incentive mechanism reform to strengthen performance-based compensation & the growth of innovative talents
Costs of Telecommunications Products Sold	(12,391)	(11,603)	-6.4%	Mainly benefited from strengthened value management
- Handset Subsidy	(615)	(4)	-99.3%	Mainly benefitted from the innovative business model
Selling & Marketing	(17,458)	(14,879)	-14.8%	 Mainly benefitted from the business model transformation to rigorously control customer acquisition cost
G&A & Others	(13,826)	(19,646)	42.1%	See next slide for details

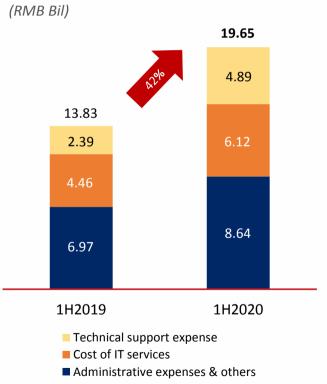
^{1.} Excluding the impact of the adoption of IFRS 16, 1H2020 tower usage fee was RMB 9,295 mil, up 5.6% yoy. The data is for illustration purpose only and investors are cautioned not to rely on the data.

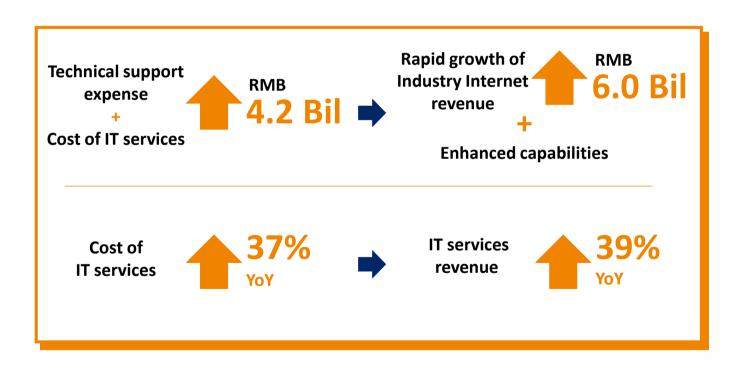
Appropriately Stepped up Initiatives to Fuel Rapid Development of Innovative Businesses



Capitalise on the opportunities of digital transformation to enhance capabilities & promote scale development

G&A & Other Operating Expenses

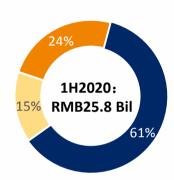


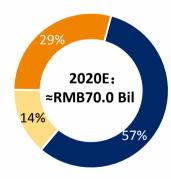


Efficient & Precise Investment to Create Value



CAPEX Structure





- Mobile network
- Fixed-line broadband & data
- Infrastructure, transmission & others

Strengthen the synergy between business & network to enhance customer perception & business growth

2020E

- Mobile network: Comprehensively push forward 5G network "co-build co-share" with China Telecom
 - Further improve LTE 900MHz coverage & suspend other 4G investment & projects of no business urgency
 - Promote 2/3G network simplification by regions to lower network operating costs & refarm spectrum
- Broadband network: Focus on gigabit access, while maintaining leading network coverage in Northern China & expanding the scale through private capital cooperation in Southern China
- Expedite intelligent network upgrade by advancing SDN, NFV & cloudification
- 1H2020: Network quality & customers' perception on the rise in focused regions
 - Real-time satisfaction rate for mobile & broadband up by 0.46 & 0.67 points respectively from the beginning of the year
 - Industry-best network latency performance

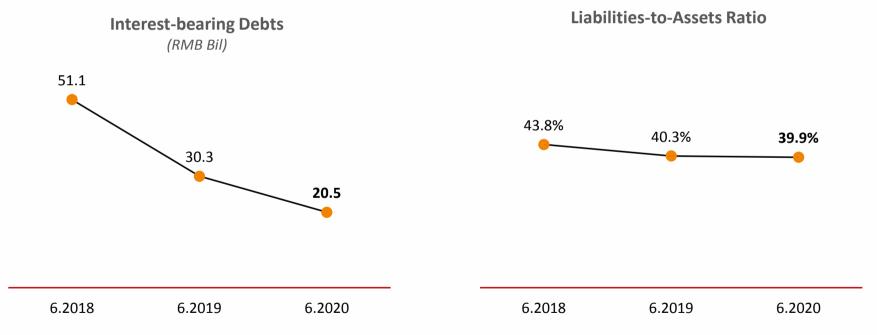
Strong Financial Position



Healthy free cash flow

Interest-bearing debts declining

Well-positioned to capture new 5G opportunities & create new value



Note:

^{1.} The above 6.2019 & 6.2020 data excluded the impact of the adoption of IFRS 16. It is for illustration only & investors are advised not to rely on the above data.

To Elevate Shareholder Value through Quality & Efficiency Enhancement



Strengthen cash flow management and promote transformation of resources allocation & use to enhance productivity of all essential factors

Accelerate operating model transformation, to foster pan-marketing coordinated operation & high quality development

Deepen network & business integration with precise investment to enhance the edges of cloudnetwork integration

Continue to promote value management leveraging innovative revitalisation of operating assets & enhancement of talent performance

Strengthen centralised IT operation & data governance to boost overall IT efficiency







Thank You!





Appendix I: Revenue Breakdown



(RMB Mil)	1H2019	1H2020	Change YoY
Mobile Service Revenue	78,691	76,516	-2.8%
Voice	15,403	12,839	-16.7%
Data Traffic	51,341	52,057	1.4%
Others	11,947	11,620	-2.7%
Fixed-line Service Revenue	53,134	60,566	14.0%
Voice	5,011	4,410	-12.0%
Broadband Access	20,646	21,874	5.9%
Others ¹	27,477	34,282	24.8%
Other Service Revenue	1,132	1,253	10.7%
Sales of Telecommunications Products	11,997	12,062	0.5%
Total	144,954	150,397	3.8%

Note:

^{1.} Mainly included revenue from IDC (1H2020: RMB 10,071 mil), IT services (1H2020: RMB 7,549 mil), cloud computing (1H2020: RMB 1,999 mil), leased line services (1H2020: RMB 6,961 mil) & others.

Appendix II: Extracts from Unaudited Condensed Consolidated Interim Statement of Financial Position



(RMB Mil)	As at 2019.12.31	As at 2020.6.30
Current Assets	83,595	103,511
Non-current Assets	478,904	465,223
Total Assets	562,499	568,734
Current Liabilities	205,190	212,193
Non-current Liabilities	36,554	33,388
Total Liabilities	241,744	245,581
Total Equity	320,755	323,153

Appendix III: Key Operating Metrics



		Unit	1H2019	1H2020
	Billing Subscribers	Mil	324.353	309.528
	Billing Subscriber ARPU	RMB	40.8	40.9
Mobile Business ¹	Total Handset Data Traffic	Bil MB	14,602.7	18,025.6
	Handset User DOU	GB	7.4	9.4
	Handset User MOU	Mins	193.9	166.4
Incl: 4G ¹	Subscribers	Mil	238.939	260.741
	ARPU	RMB	45.9	42.9
	DOU	GB	10.3	11.4
Fixed-line Broadband	Subscribers	Mil	83.413	85.878
Business	Access ARPU	RMB	41.8	43.0
Fixed-line Local Access	Subscribers	Mil	54.319	52.119
Business	ARPU	RMB	13.1	10.9

Note:

^{1.} Mobile business data includes 5G subscribers

Appendix IV: Industry Internet Revenue Breakdown



(RMB Bil)	1H2019	1H2020	Change YoY
IDC	8.24	10.07	22.2%
IT Services	5.45	7.55	38.6%
Internet of Things	1.40	2.17	54.8%
Cloud Computing	1.10	2.00	81.7%
Big Data	0.53	0.89	67.4%
Total	16.72	22.67	35.6%

Appendix V: Deepened Cooperation with Strategic Investors (1)



Synergetic & powerful alliance with ever innovating cooperation models

Capital Cooperation

Environmental conservation & smart cities

Tech + culture + tourism

"Demographic+", connecting "people, things & enterprises"











Yunlizhihui



- Upgraded smart products such as Smart Rivers & Lakes, Urban Brain, etc.
- Won >30 projects in 1H2020

Yunjing Culture & Tourism



- Established product portfolio with customisable industry products & modules based on the core product platforms
- Won numerous projects nationwide
- Actively explore 5G edge computing applications

Smart Steps



 Jointly built models & leveraged each other's data to offer Big Data (financial, travel services and others) products, serving a number of government ministries & Global 500 enterprises, etc.

5G

Baidu

- Established "5G+AI Joint Laboratory"
- Actively promote the commercialisation of autonomous driving applications based on 5G edge computing

Tencent

- Established "5G e-Sports Joint Laboratory"
- Rolled out 5G network slicing trials in various verticals

JD.com

- Explore new 5G applications targeting logistics industry & industrial parks
- Rolled out 5G network slicing trials in various verticals

Alibaba

Focus on UHD video applications in 5G era

Appendix V: Deepened Cooperation with Strategic Investors (2)



Leverage partners' strength to boost new energy for innovative development



Telecommunications

- Enhanced extensive cooperation in fundamental telecom services with strategic investors, e.g. China Life, Alibaba, Tencent, Baidu & JD.com
- In 1H2020, revenue of telecommunication services provided by China Unicom to its strategic investors \$\dagger\$23% YoY



IoT

- Cooperated with Alibaba & China Life on smart watch, digital insurance, etc. & continuously explored cooperation in ecology & channels, innovation & incubation, etc. with strategic investors
- Engaged in comprehensive cooperation with Alibaba, Tencent, JD.com & other strategic partners in mobile payment, travel services & smart wearable, etc. with nearly 20 mil smart connections



Cloud Computing

- Drove development of WO Cloud A & WO Cloud T (co-branded public cloud products) through "Cloud Fibre Smart Enterprise" project with nearly 130k customers
- In-depth cooperation with Alibaba on Ding Talk with 130k corporate customers & 52 mil users
- Continuous effort in exploring edge computing & CDN cooperation with strategic investors

Appendix V: Deepened Cooperation with Strategic Investors (3)





- Further expanded Internet touchpoints & privilege cooperation with Tencent, Alibaba, Baidu, JD.com & Didi, etc.
- Made use of e-vouchers to launch cross-sector cooperation with Alibaba, JD.com & Suning.com



Content Aggregation

 Deeply cooperated with Baidu's iQiyi, Tencent video, and Alibaba's Youku on IPTV & mobile video content, creating high quality premium video services leveraging 5G & gigabit broadband capabilities



Payment and Finance

- WO Wallet forged online cooperation with e-commerce platforms of JD.com, Alibaba & Suning, etc
- Jointly promoted instalment credit services with Ant Financial
- Cooperated with JD.com to jointly launch credit score products



Smart Home

 Fundamental telecommunication capabilities deeply integrated with the smart hardware & household applications of Internet companies such as Baidu, Alibaba & Tencent, creating new & competitive products while meeting user demand, and enhancing pan-smart terminal sales

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Appendix VI: China Unicom 5G Industry Applications





5G autonomous public transport



5G + thermal imaging body temperature screening



5G pilot IoV



5G industrial Internet



5G + smart port



Remote first-aid coordinated among 3 locations



5G drone with 4K HD VR demo on river inspection



5G epidemic prevention & control robot