



World-Class

In 2002, the Company took solid strides toward its goal of becoming a world-class telecommunications operator, and became a key competitive entity in China's telecommunications market.

Company Profile

China Unicom Limited (the “Company”) was incorporated in Hong Kong in February 2000. China United Telecommunications Corporation (“Unicom Group”) injected the assets and businesses of its GSM cellular network in the twelve provinces and municipalities of Beijing, Shanghai, Tianjing, Guangdong, Jiangsu, Zhejiang, Fujian, Liaoning, Shandong, Anhui, Hebei and Hubei, and its nationwide long distance telephony network, data network and Internet, together with its equity interests in Guoxin Paging Corporation Limited which owns the radio paging business, into the Company. The Company was listed on the New York Stock Exchange and the Stock Exchange of Hong Kong on 21 June 2000 and 22 June 2000, respectively. China Unicom Corporation Limited (“CUCL”), a wholly-owned subsidiary of the Company, leased capacity on the CDMA network in its service areas from Unicom New Horizon Telecommunications Corporation Limited (“Unicom New Horizon”), a wholly-owned subsidiary of Unicom Group with effect from 3 January 2002 and commenced the operation of CDMA services.

On 1 June 2001, the Company was included as a constituent stock of Hang Seng Index.

On 31 December 2002, the Company completed the acquisition of equity interests in Unicom New Century Telecommunications Corporation Limited (“Unicom New Century”) from Unicom Group. In addition to operating GSM mobile communication services in Jilin, Heilongjiang, Jiangxi, Henan, Shaanxi and Sichuan provinces, Chongqing municipality, Guangxi Zhuang Autonomous and Xinjiang Uygur Autonomous Regions, Unicom New Century also leases capacity on the CDMA network from Unicom New Horizon and operates CDMA services in those areas.

At present, the Company is the only integrated telecommunications operator in the PRC. Its scope of operation includes GSM and CDMA cellular communication businesses in 21 provinces, municipalities and autonomous regions through CUCL and Unicom New Century, and a nationwide radio paging business, international and domestic long distance telephone business, data communications, such as Internet and IP telephony business, and the provision of other related value-added services.

With respect to cellular communications services, the Company is one of the two leading cellular communications operators in Mainland China. As of 31 December 2002, there were 59.710 million subscribers for our GSM and CDMA services in 21 provinces, municipalities and autonomous regions, as calculated on combined basis. We operate GSM international roaming services with 118 operators in 67 countries and regions, and operate CDMA international roaming services with 7 operators in 7 countries and regions. The Company is also proactively engaged in the development of prepaid services (known as “*Ru Yi Tong*”), as well as various WAP, BREW and JAVA-based value-added services, so as to adapt to market requirements.

With respect to long distance and data services, as of 31 December 2002, the Company's long distance telephone network covered 329 cities (regions). The Company also provides IP telephony services in all of the 337 cities (regions) in Mainland China.

With respect to radio paging services, the Company is the leading paging service provider in Mainland China, with the most extensive radio paging network and largest number of subscribers in the world. As of 31 December 2002, there were 17.682 million subscribers for our paging services.

The Company has completed the construction of the second largest broadband optical fibre transmission network in Mainland China, which serves as the shared platform to support different operating networks for cellular communications, domestic and international long distance calls, data, Internet and paging businesses. As of 31 December 2002, the Company's optical fibre transmission network reached 486,000 km and its optical fibre backbone network reached 110,000 km.

Unicom Group is the major shareholder of the Company and indirectly holds 20.27% of the shares in the Company through its owned China Unicom (BVI) Limited (“Unicom BVI”) and 57.20% of the shares in the Company through its subsidiary, China United Telecommunications Corporation Limited (“A Share Company”) and A Share Company's subsidiary Unicom BVI. The remaining 22.53% of the shares are held by the public.