

## Independent Review Report



**ANDERSEN**

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### To the Board of Directors of China Unicom Limited

#### INTRODUCTION

We have been instructed by the Company to review the interim report of the Group for the six months ended 30 June, 2001 set out on pages 8 to 21.

#### DIRECTORS' RESPONSIBILITIES

The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") require the preparation of an interim financial report to be in compliance with "Interim financial reporting" issued by the Hong Kong Society of Accountants ("Hong Kong SSAP 25") and the relevant provisions thereof. However, the Hong Kong Listing Rules permit a departure from Hong Kong SSAP 25 in respect of the omission of a statement of cash flows for the six months ended 30 June, 2000 as comparative figures for the first statement of cash flows included in the interim financial report. The interim financial report is the responsibility of, and has been approved by, the directors.

#### REVIEW WORK PERFORMED

We conducted our review in accordance with SAS 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of the Group's management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

#### REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June, 2001.

#### ANDERSEN & CO

*Certified Public Accountants*

Hong Kong, 12 September, 2001