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Announcement on the Establishment of China Communications Facilities Services Corporation Limited

China Unicom (Hong Kong) Limited (the “Company”) refers to the announcement dated 30 April 2014 in which the Company announced that it was in preliminary discussions with the other two telecommunications operators in Mainland China regarding the joint establishment of a tower facilities company. This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 11 July 2014 (after trading hours), the Company (through China United Network Communications Corporation Limited (“CUCL”), a wholly-owned subsidiary of the Company) entered into a promoters’ agreement with the subsidiary of China Mobile Limited (stock code: 0941) and China Telecom Corporation Limited (stock code: 0728) to establish China Communications Facilities Services Corporation Limited. Pursuant to the promoters’ agreement, the Company will subscribe for 3.01 billion shares at a par value of RMB1.00 per share in the registered capital of China Communications Facilities Services Corporation Limited in cash, representing 30.1% of the registered capital of China Communications Facilities Services Corporation Limited.

Details of China Communications Facilities Services Corporation Limited

Details of China Communications Facilities Services Corporation Limited are set out as follow:

Company Name: China Communications Facilities Services Corporation Limited

Registered capital: RMB10 billion

Legal status: Joint stock limited company established under PRC laws

Business scope: Construction, maintenance and operation of telecommunications towers; construction, maintenance and operation of ancillary facilities including base station control rooms, power supplies, air conditioning and interior distribution system; and providing outsourcing services for base station equipment maintenance.

The shareholding structure immediately upon the establishment of China Communications Facilities Services Corporation Limited is as follows:

No.	Name of Shareholder	Number of Shares Subscribed	Shareholding Percentage
1	China Mobile Communication Company Limited (a subsidiary of China Mobile Limited)	4.00 billion shares	40.0%
2	CUCL	3.01 billion shares	30.1%
3	China Telecom Corporation Limited	2.99 billion shares	29.9%
Total		10.00 billion shares	100.0%

Reasons and benefits of establishing China Communications Facilities Services Corporation Limited

The Company is of the view that the establishment of China Communications Facilities Services Corporation Limited will reduce duplication and redundant construction of telecommunications towers and related telecommunications infrastructure in the telecommunications industry in China; increase industry-wide investment return; promote resources sharing of telecommunications infrastructure; ease the difficulty arising from site selection of telecommunications towers; enhance the Company's ability to grow organically through efficient use of resources; and further promote resources conservation and environmental protection. The establishment of China Communications Facilities Services Corporation Limited will also allow the Company to reduce its overall investment scale; utilise existing assets with greater efficiency; save capital expenditure; optimise cash management; focus on its core operations; improve the Company's competitiveness; and expedite the Company's transformation and upgrade.

Future plan

The parties to the promoters' agreement are at a preliminary stage of considering the injection of certain telecommunications assets into China Communications Facilities Services Corporation Limited. Any such asset injection, as and when carried out, will be subject to compliance with the applicable legal and regulatory requirements (including, but not limited to, the Listing Rules). Further announcement(s) will be made by the Company as appropriate.

By Order of the Board of
China Unicom (Hong Kong) Limited
Chu Ka Yee
Company Secretary

Hong Kong, 11 July 2014

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

Executive Directors:	Chang Xiaobing, Lu Yimin, Tong Jilu and Li Fushen
Non-executive Director:	Cesareo Alierta Izuel
Independent Non-executive Directors:	Cheung Wing Lam Linus, Wong Wai Ming, John Lawson Thornton, Chung Shui Ming Timpson, Cai Hongbin and Law Fan Chiu Fun Fanny