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**CHINA UNICOM LIMITED**

**中國聯通股份有限公司**

*(incorporated in Hong Kong with limited liability under the Companies Ordinance)*

## **ANNOUNCEMENT**

### **EXTENSION OF LEASING PERIOD FOR CDMA NETWORK CAPACITY**

The board of directors (the **Board**) of China Unicom Limited (the **Company**, together with its subsidiaries, known as the **Group**) is pleased to announce that the term of the lease of CDMA Capacity by CUCL from Unicom New Horizon had been extended for one year commencing from 3 January 2003, (1) CUCL had requested and Unicom New Horizon will make an additional Capacity of 4 million subscribers available to CUCL, bringing the total Capacity to be leased to 10 million subscribers for the first half of the Renewed Period; and (2) the Capacity to be leased for the Second Half of the Renewed Period by CUCL from Unicom New Horizon shall be notified to Unicom New Horizon on or before 31 May 2003.

## **INTRODUCTION**

Reference is made to the announcement dated 22 November 2001 and the circular to the Company's shareholders dated 28 November 2001 (the "Circular"), containing, inter alia, details of the Lease and the related Connected Transaction of the Company regarding the leasing of CDMA Network Capacity.

Terms defined in the Circular have the same meanings when used in this announcement.

## **EXTENSION OF LEASING PERIOD FOR CDMA NETWORK CAPACITY**

The current term of the lease by CUCL of the Capacity of CDMA network from Unicom New Horizon is due to expire on 2 January 2003. CUCL has informed Unicom New Horizon of its decision to extend the term of the lease for one year commencing from 3 January 2003 until 2 January 2004 (the "Renewed Period"). Following the review of the current development of CDMA mobile business operated by the Group, CUCL has further informed Unicom New Horizon that: (1) the leasing of an additional Capacity of 4 million subscribers (the "Additional Capacity") is requested by CUCL from Unicom New Horizon in addition to the current Capacity of 6 million subscribers, bringing the total Capacity to be leased from Unicom New Horizon to 10 million subscribers for the period from 3 January 2003 to 30 June 2003 of the Renewed Period (the "First Half of the Renewed Period"); and (2) the CDMA Capacity to be leased for the period from 1 July 2003 to 2 January 2004 of the Renewed Period (the "Second Half of the Renewed Period") by CUCL from Unicom New Horizon will

be notified to Unicom New Horizon on or before 31 May 2003. Unicom New Horizon has confirmed the availability of the Additional Capacity requested. The extension of the lease of the Capacity of CDMA Network by the Renewed Period and the request for the Additional Capacity have been done pursuant to the terms of the Lease Agreement.

The Board believes that the extension of the lease of the Capacity of CDMA Network by the Renewed Period and the Additional Capacity are determined in accordance with CDMA business plan for the year of 2003 and the Additional Capacity will help to improve its CDMA Network coverage and quality.

By Order of the Board  
**China Unicom Limited**  
**Ngai Wai Fung**  
*Company Secretary*

Hong Kong, 29 November 2002

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