

CHINA UNICOM (HONG KONG) Ltd  
Form 20-F  
April 21, 2016  
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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 20-F**

.. **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2015**

**OR**

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**OR**

.. **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of event requiring this shell company report \_\_\_\_\_**

**Commission file number 1-15028**

**CHINA UNICOM (HONG KONG) LIMITED**

**(Exact Name of Registrant as Specified in Its Charter)**

N/A

**Hong Kong**

**(Translation of Registrant's Name Into English) (Jurisdiction of Incorporation or Organization)**  
**75<sup>th</sup> Floor, The Center**

**99 Queen's Road Central**

**Hong Kong**

**(Address of Principal Executive Offices)**

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**75<sup>th</sup> Floor, The Center**

**99 Queen s Road Central**

**Hong Kong**

**(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact person)**

**Securities registered or to be registered pursuant to Section 12(b) of the Act:**

**Title of Each Class**  
**Ordinary shares**

**Name of Each Exchange On Which Registered**  
**The New York Stock Exchange, Inc.\***

\* Not for trading, but only in connection with the listing on The New York Stock Exchange, Inc. of American depository shares, or ADSs, each representing 10 ordinary shares.

**Securities registered or to be registered pursuant to Section 12(g) of the Act:**

**None**

**(Title of class)**

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:**

**None**

**(Title of Class)**

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2015, 23,947,081,083 ordinary shares were issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes  No

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing.

U.S. GAAP  International Financial Reporting Standards as issued  Other

by the International Accounting Standards Board

If  Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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**Note Regarding Forward-Looking Statements**

This annual report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements may include, without limitation, statements relating to (i) our plans and strategies and our ability to successfully execute these plans and strategies, including those in connection with our mergers and acquisitions and capital expenditures; (ii) our plans for network expansion, including those in connection with the build-out of our mobile services and network infrastructure; (iii) our competitive position, including our ability to upgrade and expand existing networks and increase network efficiency, to improve existing services and offer new services, to develop new technological applications and to leverage our position as an integrated telecommunications operator and expand into new services and markets; (iv) our future business condition, including our future financial results, cash flows, financing plans and dividends; (v) the future growth of market demand of, and opportunities for, our new and existing products and services; and (vi) future regulatory and other developments in the PRC telecommunications industry.

The words anticipate, believe, could, estimate, intend, may, seek, will and similar expressions, as they are intended to identify certain of these forward-looking statements. We do not intend to update any of these forward-looking statements and are under no obligation to do so.

The forward-looking statements contained in this annual report are, by their nature, subject to significant risks and uncertainties. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of our future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements as a result of a number of factors, including, without limitation:

changes in the regulatory regime and policies for the PRC telecommunications industry, including without limitation, changes in the regulatory policies of the Ministry of Industry and Information Technology, or the MIIT (which has assumed the regulatory functions of the former Ministry of Information Industry), the State-owned Assets Supervision and Administration Commission, or the SASAC, and other relevant government authorities of the PRC;

changes in the PRC telecommunications industry resulting from the issuance of licenses for telecommunications services by the central government of the PRC;

changes in telecommunications and related technologies and applications based on such technologies;

the level of demand for telecommunications services, in particular, the fourth generation mobile telecommunications, or 4G, services;

competitive forces from more liberalized markets and our ability to retain market share in the face of competition from existing telecommunications companies and potential new market entrants;



effects of restructuring and integration (if any) in the PRC telecommunications industry and any cooperation among the PRC telecommunications operators;

the availability, terms and deployment of capital and the impact of regulatory and competitive developments on capital outlays;

changes in the assumptions upon which we have prepared our projected financial information and capital expenditure plans;

costs and benefits from our investment in and arrangements with the Tower Company;

effects of the imposition of and changes in value-added tax, or VAT, relating to the PRC telecommunications business;

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results and effects of any investigation by the relevant PRC regulatory authorities overseeing state-owned enterprises and their directors, officers and employees; and

changes in the political, economic, legal, tax and social conditions in China, including the PRC Government's policies and initiatives with respect to foreign exchange policies, foreign investment activities and policies, entry by foreign companies into the Chinese telecommunications market and structural changes in the PRC telecommunications industry.

Please also see D. Risk Factors under Item 3.

### **Certain Definitions**

As used in this annual report, references to we, us, our, the Company, our company and Unicom are to China (Hong Kong) Limited (formerly known as China Unicom Limited). Unless the context otherwise requires, these references include all of our subsidiaries. In respect of any time prior to our incorporation, references to we, us, our and Unicom are to the telecommunications businesses in which our predecessors were engaged and which were subsequently assumed by us. All references to Unicom Group are to China United Network Communications Group Company Limited (formerly known as China United Telecommunications Corporation), our indirect controlling shareholder. Unless the context otherwise requires, these references include all of Unicom Group's subsidiaries, including us and our subsidiaries.

All references to China Netcom are to China Netcom Group Corporation (Hong Kong) Limited, which merged with us in October 2008, and, as the context may require, its subsidiaries. References to Netcom Group mean China Network Communications Group Corporation, which merged with, and was absorbed by, Unicom Group in January 2009 and, as the context may require, its subsidiaries, other than us and our subsidiaries.

As used in this annual report:

references to China or PRC mean the People's Republic of China, excluding, for purposes of this annual report, Hong Kong, Macau and Taiwan, and references to the central government or the PRC Government mean the central government of the PRC;

references to our fixed-line northern service region mean the 10 municipalities, provinces and region where we operate fixed-line services in northern China, consisting of Beijing and Tianjin Municipalities, and Hebei, Henan, Shandong, Liaoning, Heilongjiang, Jilin, and Shanxi Provinces, and the Inner Mongolia Autonomous Region;

references to the 21 provinces in southern China mean Shanghai Municipality, Jiangsu Province, Zhejiang Province, Anhui Province, Fujian Province, Jiangxi Province, Hubei Province, Hunan Province, Guangdong Province, Guangxi Zhuang Autonomous Region, Hainan Province, Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, Tibet Autonomous Region, Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Hui Autonomous Region and Xinjiang Uygur Autonomous Region; we completed the acquisitions of certain telecommunications business and assets, including the fixed-line business in those 21 provinces in southern China, from Unicom

Group and Netcom Group and/or their respective subsidiaries and branches in January 2009; see A. History and Development of the Company Unicom Acquisitions and Sales Acquisitions of Fixed-Line Business in 21 Provinces in Southern China and Other Assets from Parent Companies and Lease of Telecommunications Networks in 21 Provinces in Southern China under Item 4;

references to Hong Kong Stock Exchange or HKSE mean The Stock Exchange of Hong Kong Limited, and references to NYSE or New York Stock Exchange mean The New York Stock Exchange, Inc; and

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references to Renminbi or RMB are to the currency of the PRC, references to U.S. dollars or US\$ are to the currency of the United States of America, references to HK dollars or HK\$ are to the currency of the Hong Kong Special Administrative Region of the PRC and references to Euro are to the currency of the eurozone (19 of the 28 member states of the European Union).

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**PART I**

**Item 1. Identity of Directors, Senior Management and Advisers**

Not Applicable.

**Item 2. Offer Statistics and Expected Timetable**

Not Applicable.

**Item 3. Key Information**

***A. Selected Financial Data***

The following tables present selected historical financial data of our company as of and for the years ended December 31, 2011, 2012, 2013, 2014 and 2015. Except for amounts presented in U.S. dollars, the selected historical consolidated income statement data for the years ended December 31, 2013, 2014 and 2015 and the consolidated statement of financial position data as of December 31, 2014 and 2015 set forth below are derived from, should be read in conjunction with, and are qualified in their entirety by reference to, our audited consolidated financial statements, including the related notes, included elsewhere in this annual report on Form 20-F. The selected historical consolidated income statement data for the years ended December 31, 2011 and 2012 and the consolidated statement of financial position data as of December 31, 2011, 2012 and 2013 set forth below are derived from our audited consolidated financial statements that are not included in this annual report on Form 20-F. Our consolidated financial statements as of and for the years ended December 31, 2011, 2012, 2013, 2014 and 2015 have been prepared and presented in accordance with IFRS. The statistical information set forth in this annual report on Form 20-F relating to China is taken or derived from various publicly available government publications that have not been prepared or independently verified by us. This statistical information may not be consistent with other statistical information from other sources within or outside China.

In October 2015, we, through our wholly own subsidiaries, China United Network Communications Corporation Limited, or CUCL, and Unicom New Horizon Telecommunications Company Limited, or Unicom New Horizon, completed the disposal of certain of our telecommunications towers and related assets to the Tower Company. See **B. Business Overview** The Tower Company under Item 4. As we own 28.1% of the share capital of the Tower Company, we recognized at the completion 71.9% of the gains on such disposal, with the remaining amount of such gain amortized over the remaining useful life of the transferred assets.

In December 2012, we completed the acquisition of the entire equity interest in Unicom New Horizon Telecommunications Company Limited, or Unicom New Horizon, through our wholly owned subsidiary, China United Network Communications Corporation Limited, or CUCL, from Unicom Group, or the 2012 Acquisition. See **A. History and Development of the Company** Unicom Acquisitions and Sales 2012 Acquisition under Item 4. As Unicom New Horizon did not meet the definition of a business under IFRS 3 (Revised) Business Combinations, we accounted for the 2012 Acquisition as an asset purchase transaction in accordance with IAS 16 Property, Plant and Equipment.



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	As of or for the year ended December 31,					
	2011	2012	2013	2014	2015	2015
	RMB	RMB	RMB	RMB	RMB	US\$( <sup>1</sup> )
	(in millions, except for per share data)					
<b>Consolidated Income Statement Data:</b>						
<b>Revenue<sup>(2)</sup></b>						
<b>Mobile services</b>						
Service revenue	103,307	126,036	151,133	155,095	142,620	22,017
Sales of mobile telecommunications products	23,219	38,735	56,393	39,743	41,665	6,432
Total mobile telecommunications revenue	126,526	164,771	207,526	194,838	184,285	28,449
<b>Fixed-line services</b>						
Service revenue <sup>(2)</sup>	81,642	83,213	86,487	88,481	91,261	14,088
Sales of fixed-line telecommunications products	63	64	78	60	106	16
Total fixed-line telecommunications revenue	81,705	83,277	86,565	88,541	91,367	14,104
<b>Unallocated amounts</b>						
Service revenue <sup>(2)</sup>	936	878	947	1,302	1,397	216
Sales of other telecommunications products	936	878	947	1,302	1,397	216
<b>Total revenue</b>	<b>209,167</b>	<b>248,926</b>	<b>295,038</b>	<b>284,681</b>	<b>277,049</b>	<b>42,769</b>
<b>Total costs, expenses and others</b>	<b>(203,569)</b>	<b>(239,405)</b>	<b>(281,324)</b>	<b>(268,750)</b>	<b>(263,014)</b>	<b>(40,602)</b>
<b>Income before income tax</b>	<b>5,598</b>	<b>9,521</b>	<b>13,714</b>	<b>15,931</b>	<b>14,035</b>	<b>2,167</b>
Income tax expenses	(1,371)	(2,425)	(3,306)	(3,876)	(3,473)	(536)
<b>Net income</b>	<b>4,227</b>	<b>7,096</b>	<b>10,408</b>	<b>12,055</b>	<b>10,562</b>	<b>1,631</b>
<b>Earnings per share for income attributable to equity shareholders during the year</b>						
-Basic earnings per share <sup>(3)</sup>	0.18	0.30	0.44	0.51	0.44	0.07
-Diluted earnings per share <sup>(3)</sup>	0.18	0.30	0.43	0.49	0.44	0.07
-Basic earnings per ADS <sup>(4)</sup>	1.79	3.01	4.40	5.05	4.41	0.68
-Diluted earnings per ADS <sup>(4)</sup>	1.78	2.96	4.31	4.95	4.41	0.68
	23,564	23,565	23,658	23,852	23,947	23,947

-Number of shares outstanding for basic earnings per share <sup>(3)</sup>						
-Number of shares outstanding for diluted earnings per share <sup>(3)</sup>	23,785	24,664	24,656	24,795	23,947	23,947
-Number of ADS outstanding for basic earnings per ADS <sup>(4)</sup>	2,356	2,357	2,366	2,385	2,395	2,395
-Number of ADS outstanding for diluted earnings per ADS <sup>(4)</sup>	2,379	2,466	2,466	2,480	2,395	2,395

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	As of or for the year ended December 31,					2015
	2011	2012	2013	2014	2015	2015
	RMB	RMB	RMB	RMB	RMB	US\$( <sup>1</sup> )
	(in millions, except for per share data)					
<b>Consolidated Statement of Financial Position Data:</b>						
<b>Assets</b>						
Cash and cash equivalents and short-term bank deposits	15,410	18,282	21,560	25,364	21,957	3,390
Property, plant and equipment	381,859	430,997	431,625	438,321	454,631	70,183
Inventories and consumables	4,651	5,803	5,536	4,378	3,946	609
Prepayments and other current assets	6,127	9,580	9,664	10,029	10,864	1,677
Financial assets at fair value through other comprehensive income	6,951	5,567	6,497	5,902	4,852	749
<b>Total assets</b>	<b>456,233</b>	<b>516,124</b>	<b>529,171</b>	<b>545,072</b>	<b>610,346</b>	<b>94,221</b>