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JOINT ANNOUNCEMENT

BILLION EXPRESS INVESTMENTS LIMITED

(the “Issuer”)

(incorporated in the British Virgin Islands with limited liability)

US\$1,838,800,000

0.75 PER CENT GUARANTEED CONVERTIBLE BONDS

DUE 2015

(The “Convertible Bonds”)

(Stock Code: 4326)

**EXCHANGEABLE INTO ORDINARY SHARES OF
CHINA UNICOM (HONG KONG) LIMITED
UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY**



CHINA UNICOM (HONG KONG) LIMITED

中國聯合網絡通信（香港）股份有限公司

(the “Guarantor”)

(incorporated in Hong Kong with limited liability)

(Stock Code: 0762)

ADJUSTMENT TO CONVERTIBLE BOND CONVERSION PRICE

Reference is made to the 2011 annual results announcement of the Guarantor dated 22 March 2012 (the **2011 Annual Results Announcement**) whereby a final dividend of RMB0.10 per Share for the year ended 31 December 2011 (the **2011 Final Dividend**) was proposed, subject to approval of Shareholders at the forthcoming annual general meeting of the Guarantor to be held on 29 May 2012 (the **AGM**). The record date for determining the Shareholders' entitlement to the 2011 Final Dividend will be 6 June 2012.

When the Guarantor shall pay or make the 2011 Final Dividend, the Conversion Price of the Convertible Bonds will, in accordance with the CB Terms and Conditions (as defined below), subject to approval of the payment of the 2011 Final Dividend by the Shareholders at the AGM, be adjusted from HK\$15.85 per Share to HK\$15.58 per Share with effect from 7 June 2012.

As stipulated under the Trust Deed, the Issuer and/or the Guarantor are required to provide certain information relating to the adjustment to the Conversion Price of the Convertible Bonds.

Reference is made to the announcement of the Guarantor dated 28 September 2010 in relation to the issue of the Convertible Bonds and the 2011 Annual Results Announcement. Capitalized terms used herein shall, unless otherwise defined, have the same meanings as adopted in the Guarantor's announcement dated 28 September 2010.

As stipulated under Condition 6(C)(3) of the terms and conditions of the Convertible Bonds (the **CB Terms and Conditions**), if the Guarantor shall pay or make to the Shareholders any Capital Distribution (as defined in the CB Terms and Conditions), the Conversion Price of the Convertible Bonds shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the Current Market Price (as defined in the CB Terms and Conditions) of one Share on the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value (as defined in the CB Terms and Conditions) on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Any such adjustment becomes effective on the date when such Capital Distribution is actually made or if a record date is fixed therefor, immediately after such record date. However, no adjustment is required to be made under the CB Terms and Conditions where such adjustment would be less than 1% of the Conversion Price then in effect but instead the amount of such adjustment shall be carried forward and taken into account in any subsequent adjustment.

In accordance with the CB Terms and Conditions, no adjustment was made to the Conversion Price of the Convertible Bonds after the declaration of final dividend for the year ended 31 December 2010 as such adjustment was less than 1% of the Conversion Price then in effect. The amount of such adjustment has been carried forward and taken into account in computing the subsequent adjustment described in this announcement.

As announced in the 2011 Annual Results Announcement, the board of directors of the Guarantor recommended the payment of the 2011 Final Dividend of RMB0.10 per Share, subject to Shareholders' approval of the 2011 Final Dividend at the AGM. The record date for determining the Shareholders' entitlement to the 2011 Final Dividend will be 6 June 2012. The Guarantor's register of members will be closed during the following periods:

- (1) from 25 May 2012 to 29 May 2012, both days inclusive, for the purpose of ascertaining the Shareholders' rights to attend and vote at the AGM; and
- (2) from 4 June 2012 to 6 June 2012, both days inclusive, for the purpose of ascertaining the Shareholders' entitlement to the 2011 Final Dividend.

Subject to approval of the payment of the 2011 Final Dividend by the Shareholders at the AGM, the Conversion Price of the Convertible Bonds will, in accordance with the CB Terms and Conditions, be adjusted from HK\$15.85 per Share (the *Initial Conversion Price*) to HK\$15.58 per Share (the *Adjusted Conversion Price*) with effect from 7 June 2012. Save for the abovementioned adjustment to the Conversion Price, the other terms of the Convertible Bonds shall remain unchanged.

As at the date of this announcement, the total outstanding principal amount of the Convertible Bonds is US\$1,838,800,000. Following the above adjustment to the Conversion Price, the maximum number of Shares issuable by the Guarantor upon full conversion of the outstanding Convertible Bonds at the Adjusted Conversion Price will be 915,576,051 Shares, an increase of 15,596,563 Shares from the original 899,979,488 Shares based on the Initial Conversion Price.

Any Bondholder who is in doubt as to the action to be taken should consult his/her stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

By Order of the Board
**CHINA UNICOM (HONG KONG)
LIMITED
CHU KA YEE**
Company Secretary

By Order of the Board
**BILLION EXPRESS INVESTMENTS
LIMITED
CHU KA YEE**
Company Secretary

Hong Kong, 22 March 2012

As at the date of this notice, the board of directors of Billion Express Investments Limited comprises Li Fushen and Li Qihong.

As at the date of this notice, the board of directors of the China Unicom (Hong Kong) Limited comprises:

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