

CHINA UNICOM (HONG KONG) Ltd

Form 6-K

March 30, 2011

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

**For the Month of March 2011**

**Commission File Number 1-15028**

**China Unicom (Hong Kong) Limited**

(Exact Name of Registrant as Specified in Its Charter)

75/F, The Center,

99 Queen's Road Central, Hong Kong

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K on paper as permitted by Regulation S-T Rule 101(b)(1): )

(Indicate by check mark if the registrant is submitting the Form 6-K on paper as permitted by Regulation S-T Rule 101(b)(7): )

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes  No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82-\_\_\_\_.)

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**EXHIBITS**

Exhibit Number

- 1 Annual Results Announcement of China Unicom (Hong Kong) Limited for the year ended December 31, 2010.

**FORWARD-LOOKING STATEMENTS**

This announcement 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 the Company's competitive position; the Company's business strategies and plans, including those relating to the Company's networks, services, products, as well as sales and marketing, in particular, such networks, services, products, sales and marketing in respect of the Company's 3G business; the Company's future business condition, future financial results, cash flows, financing plans and dividends; the future growth of market demand of, and opportunities for, the Company's new and existing products and services, in particular, 3G services; and 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. The Company does not intend to update any of these forward-looking statements.

The forward-looking statements contained in this announcement are, by their nature, subject to significant risks and uncertainties. In addition, these forward-looking statements reflect the Company's current views with respect to future events and are not a guarantee of the Company's 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 changes in the regulatory policies of the Ministry of Industry and Information Technology, or the MIIT, the State-owned Assets Supervision and Administration Commission, and other relevant government authorities of the PRC;
- changes in the PRC telecommunications industry resulting from the issuance of 3G licenses by the central government of the PRC;

- effects of tariff reduction and other policy initiatives from the relevant PRC government authorities;

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changes in telecommunications and related technologies and applications based on such technologies;  
the level of demand for telecommunications services, in particular, 3G services;  
competitive forces from more liberalized markets and the Company's ability to retain market share in the face of competition from existing telecommunications companies and potential new market entrants;  
effects of competition on the demand and price of the Company's telecommunications services;  
the availability, terms and deployment of capital and the impact of regulatory and competitive developments on capital outlays;  
effects of the Company's restructuring and integration following the completion of the Company's merger with China Netcom Group Corporation (Hong Kong) Limited;  
effects of the Company's adjustments in its business strategies relating to the personal handyphone system, or PHS, business;  
effects of the Company's acquisition from its parent companies of certain telecommunications business and assets, including the fixed-line business in 21 provinces in southern China, in January 2009;  
changes in the assumptions upon which the Company have prepared its projected financial information and capital expenditure plans;  
changes in the political, economic, legal and social conditions in the PRC, including the PRC Government's policies and initiatives with respect to economic development in light of the recent global economic downturn, foreign exchange policies, foreign investment activities and policies, entry by foreign companies into the PRC telecommunications market and structural changes in the PRC telecommunications industry; and  
the recovery from the recent global economic downturn inside and outside the PRC.

Please also see the "Risk Factors" section of the Company's latest Annual Report on Form 20-F, as filed with the U.S. Securities and Exchange Commission.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**CHINA UNICOM (HONG KONG) LIMITED**

(Registrant)

Date: March 30, 2011

By: /s/ Chang Xiaobing

Name: Chang Xiaobing

Title: Chairman and Chief Executive Officer

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**Exhibit 1**

*Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 0762)**

**2010 ANNUAL RESULTS ANNOUNCEMENT**

**Highlights:**

Revenue : RMB171.30 billion.  
Profit for the year : RMB3.85 billion.  
Basic earnings per share : RMB0.163.

In accordance with International Financial Reporting Standards/Hong Kong Financial Reporting Standards

On comparable basis

Revenue:

RMB171.30 billion, up by 11.3% from 2009.

RMB171.11 billion, up by 11.5%<sup>(a)</sup> compared on the same basis of 2009.

Telecommunications service revenue:

RMB162.00 billion, up by 8.3% from 2009.

RMB161.80 billion, up by 8.5%<sup>(a)</sup> compared on the same basis of 2009.

Profit for the year:

RMB3.85 billion, down by 59.7% from 2009.

RMB3.66 billion, down by 55.0%<sup>(b)</sup> compared on the same basis of 2009.

EBITDA:

RMB59.59 billion, down by 0.4% from 2009.

RMB59.40 billion, up by 2.2%<sup>(b)</sup> compared on the same basis of 2009.

*Notes:*

- (a) Excluding deferred fixed-line upfront connection fees.
- (b) Excluding deferred fixed-line upfront connection fees and realised gain on changes in fair value of derivative financial instrument in 2009.

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**CHAIRMAN'S STATEMENT**

In 2010, the Company focused on the implementation of 3G Leadership and Integrated Innovation Strategies and actively optimized resource allocation to accelerate innovation and development. As a result, the Company achieved rapid growth in revenue and significant results in structural adjustments, while network capacity and service standards continued to improve, further enhancing its overall competitive strength.

**FINANCIAL PERFORMANCE**

In 2010, revenue of the Company totaled RMB171.30 billion, an increase of 11.3% compared with last year, of which, telecommunications service revenue was RMB162.00 billion. After excluding deferred upfront connection fee, revenue and telecommunications service revenue would be increased by 11.5% and 8.5% respectively compared with last year. Revenue from mobile business (Note 1) was RMB89.55 billion, an increase of 24.4% compared with last year. Revenue from fixed-line business (Note 1) was RMB80.06 billion, a decline of 1.2% compared with last year after excluding deferred upfront connection fee.

Benefit from the rapid growth of revenue, in 2010, EBITDA of the Company was RMB59.59 billion, representing an increase of 2.2% over last year when compared on the same basis (Note 2). However, due to network scale expansion and the initial stage of the 3G business operation, the Company continued to face pressure on profit. Profit for the year was RMB3.85 billion, a decline of 55.0% over last year when compared on the same basis (Note 2). Basic earnings per share was RMB0.163.

As at 31 December 2010, operating cash flows of the Company was RMB66.34 billion, an increase of 14.9% compared with last year. Capital expenditure was RMB70.19 billion, a decline of 37.6% compared with last year. Debt-to-capitalisation ratio was 32.0% and net debt-to-capitalisation ratio was 24.6%. The Company's debt-to-capitalisation structure remained solid.

Based on the Company's financial position in 2010 and taking into account the development needs of the mobile and fixed-line broadband businesses, the Board recommends the payment of a final dividend of RMB0.08 per share for the year ended 31 December 2010.

**BUSINESS PERFORMANCE**

In 2010, the Company's overall business achieved rapid growth. Driven by its 3G business, the growth of the mobile business accelerated, and telecommunications service revenue exceeded that from fixed-line business for the first time, which accounted for 50.9% of the total telecommunications service revenue. Fixed-line business remained stable, and telecommunication service revenue accounted for 48.6% of the total telecommunications service revenue, declined from 53% of last year. The subscriber structure gradually improved while the business structure and revenue structure became more rationalized.



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**Mobile business**

In 2010, telecommunications service revenue from mobile business was RMB82.36 billion, up by 18.0% compared with last year. Revenue structure continued to improve. Revenue from the mobile non-voice business accounted for 32.0% of telecommunications service revenue from mobile business, an increase of 4.4 percentage points compared with last year. The total number of mobile subscribers reached 167.426 million, an increase of 13.4% compared with last year. The overall ARPU of mobile subscribers was RMB 43.7, an increase of 5.0% compared with last year.

**Growth of the 3G business accelerated:** In 2010, the Company persisted in its unified 3G operating strategy in brands, services, package, tariffs, handset policies and service standards. The Company also devoted efforts to fully leverage on the advantage of the WCDMA industry chain and created an innovative business development model, and formed a differentiated competitive advantage in the 3G business area.

During the year, the Company proactively adapted to market changes and customer demands, enriched 3G package system, and gradually expanded its target subscriber base. At the same time, the Company actively created an open and collaborative environment, launched more than 100 customized 3G handset models and successfully introduced iPhone4, thereby meeting the demands of subscribers with different spending power on handsets and driving the rapid growth in subscribers. The Company also strived to make breakthroughs in developing the channel system, and established strategic partnerships with mainstream independent channels such as Suning and GOME. Independent channels of 3G business accounted for more than 40% of the sales for the year. The Company launched content application products such as e-reading and WO Store. The contents of mobile newspaper, mobile music and mobile TV were further enriched, leading to a substantial increase in subscriber penetration. The monthly average data usage per subscriber reached 178M, showing the gradual formation of customers' data consumption habit.

In 2010, telecommunications service revenue of 3G business was RMB11.59 billion, with a quarterly average period-on-period growth of 40.2%. The net additions of 3G subscribers were 11.318 million, taking the subscriber number to 14.06 million, of which, subscribers with handset purchase accounted for 90.4%. The ARPU was RMB124.

**The GSM business remained stable:** In 2010, the Company actively changed the GSM business development model and leveraged on the advantage of full-service resources to vigorously promote the integrated business and enhance the effectiveness of development. Telecommunications service revenue of the GSM business reached RMB70.77 billion, an increase of 2.6% compared with last year. The net additions of GSM subscribers were 8.521 million, taking the total subscriber number to 153.366 million, an increase of 5.9% compared with last year. The ARPU was RMB39.5, a decrease of 4.1% compared with last year.

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**Fixed-line business**

In 2010, excluding deferred upfront connection fee, telecommunications service revenue from fixed-line business was RMB78.70 billion, a decline of 0.4% compared with last year. The structure of the fixed-line business continued to improve. Revenue from the fixed-line non-voice business exceeded revenue from voice business for the first time, and accounted for 55.2% of telecommunications service revenue from fixed-line business, an increase of 7.1 percentage points compared with last year.

**The fixed-line broadband business continued to grow rapidly:** In 2010, the Company continued to upgrade broadband and enhance broadband speed, actively developed the incremental markets and stepped up efforts to market content applications. The fixed-line broadband business maintained a rapid growth and recorded revenue of RMB29.82 billion, an increase of 24.8% compared with last year. As at the end of 2010, the total number of fixed-line broadband subscribers was 47.224 million, an increase of 22.5% compared with last year. The ARPU was RMB57.1, largely in line with last year.

**The decline in the fixed-line voice business (Note 3) slowed down:** In 2010, the Company actively promoted the integrated business, implemented the sales and marketing of voice volume package and endeavored to slow down the decline in the fixed-line voice business (Note 3). The fixed-line voice business recorded revenue of RMB40.12 billion, a decline of 13.3% compared with last year. The total loss of local telephone subscribers was 6.187 million and the total number of subscribers was 96.635 million, of which, the loss of PHS subscribers was 5.319 million and the total number of subscribers was 13.423 million. The ARPU of local telephone subscribers was RMB 28.9, a decline of 8.0% compared with last year.

**Integrated business and industry applications**

In 2010, the Company stepped up efforts to develop and market industry application products, optimized the composition of corporate clients and enhanced front desk sales capability and the capability of providing industry application solutions. During the year, the Company launched 22 industry application products such as video monitoring, intelligent public transport and achieved breakthrough progress in the promotion of industry applications such as mobile office and mobile stocks, driving the rapid growth of the corporate client business.

For family customers, the Company focused on promoting integrated products such as airtime sharing and single bill payment, resulting in a rapid growth in subscribers of integrated service packages. At the end of the year, the Company launched WO Family to offer integrated 3G and broadband service experience to subscribers, which would drive the growth of fixed-line broadband and mobile subscribers, enhance loyalty of fixed-line users and increase network value of fixed-line.

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**Network Building**

In 2010, the Company exerted itself to strengthen the breadth and depth of the coverage of 3G networks, continued to enhance the GSM network and accelerated the broadband network upgrade and speed enhancement. As a result, the network capacity continued to strengthen, which provided strong support for business development. As at 31 December 2010, the number of 3G base stations was 183,000, an increase of 70.8% compared with last year. The number of GSM base stations was 329,000, an increase of 15.5% compared with last year. The 3G network coverage reached cities at county level and above throughout the country, as well as villages and towns in eastern developed area. The GSM network coverage reached all villages and towns except remote areas, as well as almost all administrative villages. The number of fixed-line broadband access ports was 65.83 million, an increase of 29.3% compared with last year, of which, ports with 20M or above accounted for 38%.

**Management Reform**

In 2010, the Company persisted in management system and mechanism innovation, optimized the marketing structure targeting general public and corporate clients, and integrated the new product operation framework, which effectively enhanced the responsiveness to the market and product support capability. The Company implemented the ERP core system on a nationwide basis and established the local network evaluation system, which laid a solid foundation for implementing refined management and a scientific and effective resource allocation mechanism.

By adapting to the changes in the subscriber structure and consumption habit, the Company swiftly promoted reforms in customer service and took the initiative to implement the 3G-dedicated customer care model and established nationwide unified new channels for services such as online stores and mobile stores. The Company exerted itself to enhance service capability targeting high-end subscribers and strengthened integrated business and new business service capability, resulting in a continued enhancement in customer experience.

In 2010, with the wide promotion of the WO brand, the improvement in network quality and product and service experience, the influence of the Company's WO brand continued to grow.

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**OUTLOOK**

The information communication technology industry is experiencing significant innovations and reforms. The cross-sector integration of the industry and the rapid development of the mobile Internet have led to tremendous new business opportunities with an enormous development potential. The Company will firmly grasp this valuable strategic opportunity to further implement the 3G Leadership and Integrated Innovation Strategies and endeavor to achieve new breakthroughs in the scale of development and an overall improvement in its comprehensive strength and quickly become an innovation and service leader for information life. In 2011, the Company's major operating measures and objectives include:

The Company will strive to achieve breakthrough in 3G, broadband and other key businesses in terms of economies of scale, further increase its overall revenue and continue to improve its profitability. The Company will further optimize the product structure, enhance terminal driven and leverage on the advantage of integration to facilitate a breakthrough development of revenue and subscribers from 3G business. The Company will implement the sophisticated marketing of the GSM business and ensure the steady development of the GSM business. The Company will also maintain the rapid growth of the fixed-line broadband business so as to achieve continuous improvement in the structure of the fixed-line business. The Company will actively promote the integration of mobile and fixed-line business, provide enterprises, families and individuals with better variety of information services, so as to meet customer demands on comprehensive one-stop information service, and achieve economies of scale and new breakthroughs for its business integration and development of industry applications for key sectors.

By firmly grasping the great opportunity in the development of new technologies and new businesses in relation to information networks, the Company will expedite the development of the emerging information service industry and step up efforts in promoting key content application products such as mobile e-commerce, video, reading and social network. In addition, the Company will strengthen commercialization and application promotion of key technologies such as new generation mobile communication, next generation Internet, the Internet of Things and Cloud Computing. The Company aims to boost subscribers' consumption in data services by providing differentiated services and diversified content applications, further increase the income contribution from the non-voice business and promote the transformation of the development of the Company.

Capitalizing on the opportunity of constructing information technology facilities for the next generation, the Company is devoted to continuously create the 3G premium network and accelerate the establishment of WLAN to maintain its leading position in the 3G network industry. Furthermore, the Company will continue to refine the GSM network, expedite the upgrading and speed enhancement of broadband and carry forward the establishment of the all-optical network. In 2011, the Company will launch HSPA+ in major cities and increase the network downlink rate from 14.4M at present to 21M.

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The Company will also actively promote service innovation, and further enhance service capabilities; speed up the construction of information support system to provide a firm support for the continuous reformation of its sales services and management; deepen the implementation of cost evaluation management of local network to optimize the allocation of resources; and actively explore innovative systems and mechanisms to inject new vitality into the Company's development.

Lastly, on behalf of the Board of the Company, I would like to express my sincere gratitude to the shareholders, the government and the community for their support to the development of the Company, and also to the management and all staff members of the Company for their unremitting efforts in the development of the Company.

Chang Xiaobing

*Chairman and Chief Executive Officer*

Hong Kong, 29 March 2011

Note 1: Revenue from mobile business and the fixed-line business represents revenues from external customers, excluding inter-segment revenue.

Note 2: The non-comparable factors below which are reflected in the figures of current year and last year are excluded: (1) deferred fixed-line upfront connection fees of RMB0.19 billion for 2010 and RMB0.49 billion for 2009, and (2) realised gain of RMB1.24 billion on changes in fair value of derivative financial instrument in 2009.

Note 3: The fixed-line business includes local voice, long-distance, fixed-line value-added and inter-network settlement businesses.

**GROUP RESULTS**

China Unicom (Hong Kong) Limited (the Company) is pleased to announce the consolidated results of the Company and its subsidiaries (the Group) for the year ended 31 December 2010, which were extracted from the audited financial statements of the Group as set out in the Company's 2010 Annual Report.

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**Table of Contents****CONSOLIDATED BALANCE SHEET****AS AT 31 DECEMBER 2010****(All amounts in Renminbi ( RMB ) millions)**

	Note	As at 31 December	
		2010	2009
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		366,060	351,157
Lease prepayments		7,607	7,729
Goodwill		2,771	2,771
Deferred income tax assets		4,840	5,202
Available-for-sale financial assets	6	6,214	7,977
Other assets		11,753	11,596
		399,245	386,432
<b>Current assets</b>			
Inventories and consumables		3,728	2,412
Accounts receivable, net	7	9,286	8,825
Prepayments and other current assets		5,115	4,252
Amounts due from related parties		50	53
Amounts due from domestic carriers		1,261	1,134
Proceeds receivable for disposal of the CDMA business			5,121
Short-term bank deposits		273	996
Cash and cash equivalents		22,495	7,820
		42,208	30,613
<b>Total assets</b>		441,453	417,045
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	8	2,310	2,310
Share premium	8	173,436	173,435
Reserves	9	(18,273)	(18,088)
Retained profits			
- Proposed final dividend	17	1,885	3,770
- Others		46,483	45,038
		205,841	206,465

**Non-controlling interests**

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**Total equity**

205,841

206,467

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	Note	As at 31 December	
		2010	2009
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans		1,462	759
Promissory notes	10	15,000	
Convertible bonds	11	11,558	
Corporate bonds		7,000	7,000
Deferred income tax liabilities		22	245
Deferred revenue		2,171	2,562
Other obligations		162	187
		37,375	10,753
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	12	97,659	104,072
Taxes payable		1,484	912
Amounts due to ultimate holding company		229	308
Amounts due to related parties		5,191	5,438
Amounts due to domestic carriers		873	1,136
Payables in relation to disposal of the CDMA business			7
Commercial papers	13	23,000	
Short-term bank loans	14	36,727	63,909
Current portion of long-term bank loans		58	62
Dividend payable	17	431	331
Current portion of deferred revenue		1,042	1,397
Current portion of other obligations		2,637	2,534
Advances from customers		28,906	19,719
		198,237	199,825
<b>Total liabilities</b>		235,612	210,578
<b>Total equity and liabilities</b>		441,453	417,045
<b>Net current liabilities</b>		(156,029)	(169,212)
<b>Total assets less current liabilities</b>		243,216	217,220



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**CONSOLIDATED STATEMENT OF INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2010**  
(All amounts in RMB millions, except per share data)

	Note	Year ended 31 December	
		2010	2009
Revenue	15	171,298	153,945
Interconnection charges		(13,727)	(12,955)
Depreciation and amortisation		(54,433)	(47,587)
Networks, operations and support expenses		(26,383)	(23,728)
Employee benefit expenses		(23,327)	(21,931)
Other operating expenses		(48,269)	(36,723)
Finance costs		(1,749)	(1,036)
Interest income		142	91
Realised gain on changes in fair value of derivative financial instrument	16		1,239
Other income net		1,221	962
<b>Profit before income tax</b>		4,773	12,277
Income tax expenses	5	(922)	(2,721)
<b>Profit for the year</b>		3,851	9,556
<b>Profit attributable to:</b>			
Owners of the parent		3,851	9,556
Non-controlling interests			
		3,851	9,556
<b>Earnings per share for profit attributable to owners of the parent during the year</b>			
Basic earnings per share (RMB)	18	0.16	0.40
Diluted earnings per share (RMB)	18	0.16	0.40

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FOR THE YEAR ENDED 31 DECEMBER 2010****(All amounts in RMB millions)**

	<b>Year ended 31 December</b>	
	<b>2010</b>	<b>2009</b>
<b>Profit for the year</b>	3,851	9,556
<b>Other comprehensive loss:</b>		
Changes in fair value on available-for-sale financial assets	(1,777)	(71)
Tax effect on changes in fair value on available-for-sale financial assets	437	33
Changes in fair value on available-for-sale financial assets, net of tax	(1,340)	(38)
Currency translation differences	6	
<b>Other comprehensive loss for the year, net of tax</b>	(1,334)	(38)
<b>Total comprehensive income for the year</b>	2,517	9,518
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	2,517	9,518
Non-controlling interests		
	2,517	9,518

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FOR THE YEAR ENDED 31 DECEMBER 2010****(All amounts in RMB millions)**

	<b>Note</b>	<b>Year ended 31 December</b>	
		<b>2010</b>	<b>2009</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	(a)	69,260	63,990
Interest received		148	93
Interest paid		(2,025)	(1,681)
Income tax paid		(1,039)	(4,669)
Net cash inflow from operating activities		66,344	57,733
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment			