

CHINA UNICOM (HONG KONG) Ltd

Form 6-K

March 16, 2017

Table of Contents

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 2017

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)

Edgar Filing: CHINA UNICOM (HONG KONG) Ltd - Form 6-K

(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- .)

Table of Contents

EXHIBITS

Exhibit
Number

- 1 Announcement dated March 15, 2017 in respect of 2016 Annual Results Announcement and Closure of Register of Members.
- 2 Announcement dated March 15, 2017 in respect of Operational Statistics for February 2017.
- 3 Announcement dated March 15, 2017 in respect of Appointment of Executive Director.

FORWARD-LOOKING STATEMENTS

These announcements contain 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) the Company's plans and strategies and the ability to successfully execute these plans and strategies, including those in connection with mergers and acquisitions and capital expenditures; (ii) the Company's plans for network expansion, including those in connection with the build-out of mobile services and network infrastructure; (iii) the Company's competitive position, including the 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 the Company's position as an integrated telecommunications operator and expand into new services and markets; (iv) the Company's future business condition, including future financial results, cash flows, financing plans and dividends; (v) the future growth of market demand of, and opportunities for, the Company's 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 used by the Company, are intended to identify certain of these forward-looking statements. The Company does not intend to update any of these forward-looking statements and are under no obligation to do so.

The forward-looking statements contained in these announcements 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 without limitation, changes in the regulatory policies of the Ministry of Industry and Information Technology (which has assumed the regulatory functions of the former Ministry of Information Industry), the State-owned Assets Supervision and Administration Commission, and other relevant government authorities of the PRC;

Table of Contents

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 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 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 the Company has prepared its projected financial information and capital expenditure plans;

costs and benefits from the Company's investment in and usage arrangements with China Tower Corporation Limited;

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

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 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.

Table of Contents

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 16, 2017

By: /s/ Yung Shun Loy Jacky
Name: Yung Shun Loy Jacky
Title: Company Secretary

Table of Contents

Exhibit 1

Hong Kong Exchanges 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.

CHINA UNICOM (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0762)

**2016 ANNUAL RESULTS ANNOUNCEMENT
AND CLOSURE OF REGISTER OF MEMBERS**

Highlights:

Fully implemented Focus Strategy to mitigate underlying shortcomings, with business and service revenue rebounded

Deeply promoted open cooperation with fruitful results gradually emerging

Sharpened 4G edges and robust kick-off of marketing model transformation set to drive 4G scale and profitable development in future

Fast development of innovative businesses and extensive fibre broadband upgrade underpinned steady fixed-line revenue growth

Precise investment fuelled substantial network improvement in focused regions despite considerable reduction in CAPEX

To expedite turnaround in future through Promote growth; Control costs; Reform mechanism . From January to February 2017, the profit attributable to equity shareholders of the Company was approximately RMB0.46 billion¹, monthly average up by around 50% compared to the first quarter of 2016.

- 1 -

Table of Contents

CHAIRMAN S STATEMENT

Dear shareholders,

Addressing acute challenges from market competition in 2016, the Company actively advanced the implementation of the new development strategy centred on Focus, Cooperation and Innovation and strived to mitigate the underlying shortcomings. As a result, fundamental capabilities in network, terminals, channels, services and IT were notably enhanced, with business and service revenue restored to a positive and steady momentum while the overall competitive edges were strengthened and cemented, further solidifying the foundation of the Company for a further turnaround and healthy development in the future.

OVERALL RESULTS

To promote long-term sustainable development, the Company braved the short-term profit pressure, strengthened its fundamental capabilities, and increased cost initiatives (including selling and marketing, network operation and support expenses) as appropriate to strive for a gradual turnaround. It achieved initial success in turning around the unfavourable conditions in operation and development. In 2016, service revenue of the Company bottomed out and reached RMB240.98 billion, up 2.4% year-on-year. The Company s EBITDA amounted to RMB79.50 billion, down by 9.1% year-on-year and accounted for 33.0% of the service revenue. Profit attributable to equity shareholders of the Company was RMB0.63 billion, down by 94.1% year-on-year, which, however, showed substantial improvement compared to the loss attributable to equity shareholders of the Company (excluding the gain on disposal of tower assets) of approximately RMB3.36 billion in the second half of 2015. Going forward, the Company will continue to deepen the implementation of Focus Strategy and strive to improve profitability.

Through implementing precise investment and actively promoting cooperation and resource sharing within and beyond the industry, the Company attained substantial improvement in the network capability while capital expenditure decreased to RMB72.11 billion, down by 46.1% from last year. Benefiting from the gradual improvement in service revenue and the substantial decline in capital expenditure, free cash flow of the Company turned positive and reached RMB2.48 billion.

Taking into consideration the Company s profitability, debt, cash flow level and capital requirements for its future development, the Board has resolved not to pay a dividend for the year 2016. The Company will strive to enhance its profits while paving the way for paying a dividend for the year 2017.

Table of Contents

BUSINESS DEVELOPMENT

4G continuously gaining edges with a robust kick-off of marketing model transformation set to accelerate mobile service development

In 2016, the Company focused on the acceleration of 4G business development, driving the turnaround of the operational challenges of mobile service. Mobile service revenue bottomed and achieved RMB145.02 billion, up 1.7% year-on-year. The number of mobile billing subscribers beat the downward trend for consecutive months last year, registering a net addition of 11.51 million and reaching a total of 263.82 million mobile billing subscribers. The ARPU of mobile billing subscribers remained stable with a slight increase to RMB46.4.

During the year, the Company expedited 4G network construction and achieved 4G network quality on par with the industry in the focused regions with ample capacity; audaciously popularised All Network Access handsets with dual SIM card slots, contributing to the fast improvement in terminal supply; triggered rapid increase in mobile data traffic by targeted marketing of data capacity bundled with contents and speeding up the migration of 2G/3G subscribers to 4G; and strengthened the mutual promotion and coordinated development of the integrated offerings in 4G, fixed-line broadband, video, applications, etc. In 2016, the number of 4G subscribers of the Company demonstrated a net increase of 60.40 million to a total of 104.55 million. The proportion of 4G subscribers to mobile billing subscribers increased by 22.1 percentage points year-on-year to 39.6%, still with enormous potential for growth. The monthly average DOU per 4G subscriber reached 1,521MB.

Leveraging the advantages brought by rapid improvement in 4G network capabilities, wide adoption in All Network Access handsets, the proprietary centralised BSS system and the nationwide e-commerce platform, the Company initiated 2I2C marketing model in the fourth quarter of 2016 and began to collaborate with Internet companies on innovative targeted marketing. Through sub-dividing market segments and strengthening data traffic operation, differentiated products and development models were established with a view to achieving win-win scenarios with both subscribers and partners. The innovative business model of 2I2C business not only enables the Company to develop new touch points for customer acquisition and lift the capabilities to drive 4G subscriber and revenue growth at low incremental cost, but also continuously enhance customer value through smart marketing and convenient promotion of consumption upgrade. At present, the 2I2C business has achieved a robust kick-off, which will facilitate marketing model transformation of the Company and accelerate the scale development of its 4G business in future.

Table of Contents

Fast Development of Innovative Services in Key Areas Driving Steady Growth in Fixed-lined Service Revenue

In 2016, the Company sped up the development of innovative services such as IDC/cloud computing, ICT, video, IoT and others, effectively offsetting the revenue decline in fixed-line voice. The fixed-line service revenue reached RMB94.66 billion, up 3.7% year-on-year, of which the proportion of fixed-line voice revenue dropped to 14.0%, mitigating the operating risk of the decline in fixed-line voice, while further optimising the fixed-line revenue structure.

During the year, the Company actively leveraged its advantages in fibre network and informatisation with the focus on industrial Internet and platform-based services and fully promoted product development, platform support, marketing services and other core capabilities. Besides, it propelled new breakthroughs in IDC and cloud computing, ICT, Internet of Things, Big Data, IPTV, industry applications, Internet finance and other innovative services. In 2016, the Company's IDC and cloud computing revenue reached RMB9.45 billion, up 33.7% year-on-year. ICT revenue reached RMB5.94 billion, up 37.0% year-on-year, enjoying the leading position in educational informatisation while advancing scale development in healthcare informatisation. IPTV revenue reached RMB1.41 billion, up 68.1% year-on-year.

Actively Countering Competitive Challenges in Broadband Market by Promoting Subscriber Consumption Upgrade and Integrated Development Leveraging High-Bandwidth Products and Video Applications

Faced with fierce market competition in fixed-line broadband, the Company, by taking full advantage of the network capabilities generated from fibre network upgrade, vigorously promoted high-bandwidth products and enriched video contents and applications to stimulate bandwidth upgrade and showcased differentiation and brand edges. The Company optimised fixed-line broadband customer service, installation and maintenance work flow, and strengthened support capabilities, which in turn enhanced end-to-end network experience and customer satisfaction. It also pushed forward the optimisation and upgrade of the household Internet integrated products of the broadband, video and applications to drive mutual-promoting development. In 2016, the Company's fixed-line broadband access revenue amounted to RMB43.87 billion, maintaining steady performance year-on-year. Fixed-line broadband subscribers increased by 4.0% year-on-year to 75.24 million, of which 71.2% were Fibre-to-the-home (FTTH) subscribers. Smart WO Family subscribers accounted for 26.1% of the fixed-line broadband subscribers, up 12.8 percentage points year-on-year.

Table of Contents

NETWORK DEPLOYMENT

With an aim to providing high quality network experience of faster speed, broader coverage, better perception to its customers, the Company focused on key regions, including 4G, fixed-line broadband and other key businesses, and deepened cooperation and co-sharing in deploying premium network with craftsmanship spirit under highly precise and efficient investment. In 2016, the Company recorded a net increase of 337,000 4G base stations to a total of 736,000, with coverage, speed and signal quality of the 4G network in key regions on par with the industry. As a result of the steady progress in the speed upgrade in fixed-line broadband, ten provinces in Northern China achieved all fibre network, in which city areas were basically equipped with 100Mbps access capability. The Company continued to enhance its basic network capabilities such as transmission and carrying network with industry-lowest backhaul latency. Rapid improvement in network capabilities has laid a solid foundation for the Company to accelerate its business development.

IN-DEPTH COOPERATION AND INNOVATIVE TRANSFORMATION

In 2016, the Company actively promoted in-depth cooperation in various aspects to facilitate improvement in the network and service development capability, as well as cost reduction and efficiency enhancement, with fruitful results gradually emerging. Through innovative targeted marketing cooperation with Internet companies, the Company managed to expand touch points with customers. The Company implemented infrastructure resources co-building and co-sharing within the industry; proactively promoted cooperation with mobile virtual network operators (MVNOs), maintaining leadership in MVNO subscriber market share. The Company also strengthened cooperation with private capital on local access in Southern China and promoted diversified and cross-industry cooperation for win-win development.

During the year, the comprehensive and strategic cooperation with China Telecom was smoothly progressing. During the year, a total of 70,000 4G base stations and approximately 16,000 km transmission fibre cable were co-built and co-shared. The Company also jointly promoted 6-mode All Network Access handsets together with China Telecom and standardised the 4K smart set-top box and broadband services. Through the cooperation, savings of approximately RMB3.3 billion in CAPEX and RMB0.35 billion in operating expenses were achieved. Looking ahead, the two parties will further open existing base station resources and strengthen the sharing, while enhancing cooperation in operational maintenance and innovative services to reap new outcomes.

The Company deepened innovation in its systems and mechanisms. For the fundamental services, the Company promoted simplification of administration and pushed forward appropriate delegation and empowerment to enhance efficiency. For the innovative services, it promoted the market-oriented reform and initiated internal innovation incubation projects to actively create an innovative ambience; improved the support capability of its IT systems and strengthened cost and risk control; systematically pushed forward the reform in human resource structure, and optimised staff incentive system and structure to motivate operational vibrancy at all levels.

Table of Contents

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The Company continues on improving corporate governance structure and strengthening execution, leading to steady enhancement in management and corporate governance. In 2016, the Company was awarded a number of accolades, including Asia's No. 1 Best Managed Company TMT Sector by FinanceAsia, and Asia's No. 1 Most Honored Telecom Company by Institutional Investor.

The Company took the initiative in fulfilling its social responsibilities and actively supported the harmonious economic, social and environmental development guided by the developmental concept of being Innovative, Coherent, Green, Open, Sharing. The Company was committed to building the fast, green and secure premium network; actively conducted green operation, carried forward equipment reuse and reduced network energy consumption; enhanced service quality to provide consumers with the most compelling experience, assured consumption and dedicated services; shared the success and growth with its employees while adding values to them; and supported development in the western region by enhancing network coverage and service channel construction in remote areas to narrow the digital divide and create a smart lifestyle.

OUTLOOK

Currently, along with the drastic change of the market environment, the Company is undergoing a new stage of transformation. A new round of technology and industrial revolution is steering us into a new digital and intelligent era. While the transmission-based basic services remain as the main revenue stream for operators, the traditional telecommunication subscriber market has already been saturated and voice services are on the downward trend with the existing market to witness fiercer competition. The demand for data traffic, a key element of digital ecosystem, continues to increase. Innovative services addressing new demand have become the new engine for growth. With the Internet Superpower strategy and the Internet+ action plan implemented by the State, the Internet of Things, cloud computing and Big Data have turned into real demands from potential market, promising great industry values. In the meantime, further release of reform benefits generated within and beyond the Company will promote China Unicom to change its operational mechanism at a higher level.

Table of Contents

Looking into the future, the Company will respond to hardships and challenges face-to-face, grab development opportunities, deepen the implementation of Focus Strategy, persistently uphold scale and economical development as the centre, promote growth, control costs and reform mechanism, thus pushing the Company to shorten the odyssey of transformation, as well as to accelerate the turnaround in future, and step onto the healthy development path. We will unswervingly promote the innovation and transformation of operating model and manage innovative use of resources, so as to deliver sustainable growth in revenue and gradual economic improvement. We are determined to improve quality and enhance efficiency, eliminate excess capacity and destock based on the practical situation. We will promote frequency band and capacity reduction of 2G/3G networks in an orderly manner to improve management, cost effectiveness and operational efficiency. We will accelerate reform in various fields and build a more market-oriented mechanism in an effort to enhance corporate vibrancy and return.

Lastly, on behalf of the Board of Directors of the Company, I would like to express my sincere gratitude to all shareholders, customers and friends across the society for their support to the Company, and to all employees for their continuous dedication and contribution along the way!

Wang Xiaochu

Chairman and Chief Executive Officer

Hong Kong, 15 March 2017

Note 1: The financial data for January - February 2017 was extracted from the internal management accounts prepared under PRC accounting standards, which has not been reviewed or audited by the auditors. The financial data prepared under PRC accounting standards may differ from the data prepared under International/Hong Kong Financial Reporting Standards. Investors are cautioned not rely on the above internal data.

Note 2: EBITDA represents profit for the year before finance costs, interest income, shares of net profit/loss of associates, share of net profit/loss of joint ventures, other income-net, income tax, depreciation and amortisation. As the telecommunications business is a capital intensive industry, capital expenditure and finance costs may have a significant impact on the net profit of the companies with similar operating results. Therefore, the Company believes that EBITDA may be helpful in analysing the operating results of a telecommunications service operator like the Group.

Table of Contents**GROUP RESULTS**

China Unicom (Hong Kong) Limited (the Company) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the Group) for the year ended 31 December 2016 which were extracted from the audited consolidated financial statements of the Group as set out in the Company's 2016 annual report.

CONSOLIDATED STATEMENT OF INCOME

(All amounts in Renminbi (RMB) millions, except per share data)

	Note	Year ended 31 December	
		2016	2015
Revenue	5	274,197	277,049
Interconnection charges		(12,739)	(13,093)
Depreciation and amortisation		(76,805)	(76,738)
Network, operation and support expenses		(51,167)	(42,308)
Employee benefit expenses		(36,907)	(35,140)
Costs of telecommunications products sold		(36,529)	(44,046)
Other operating expenses		(57,357)	(54,960)
Finance costs		(5,017)	(6,934)
Interest income		1,160	438
Share of net profit/(loss) of associates		204	(759)
Share of net profit/(loss) of joint ventures		153	(42)
Other income net		1,591	10,568
Profit before income tax		784	14,035
Income tax expenses	6	(154)	(3,473)
Profit for the year		630	10,562
Profit attributable to:			
Equity shareholders of the Company		625	10,562
Non-controlling interests		5	
Earnings per share for profit attributable to equity shareholders of the Company during the year:			
Basic earnings per share (RMB)	7	0.03	0.44
Diluted earnings per share (RMB)	7	0.03	0.44

Table of Contents**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(All amounts in RMB millions)

	Year ended 31 December	
	2016	2015
Profit for the year	630	10,562
Other comprehensive income		
Items that will not be reclassified to statement of income:		
Changes in fair value of financial assets through other comprehensive income	(544)	(1,050)
Tax effect on changes in fair value of financial assets through other comprehensive income	14	(1,129)
Changes in fair value of financial assets through other comprehensive income, net of tax	(530)	(2,179)
Remeasurement of net defined benefit liability, net of tax	14	20
	(516)	(2,159)
Item that may be reclassified subsequently to statement of income:		
Currency translation differences	153	60
Other comprehensive income for the year, net of tax	(363)	(2,099)
Total comprehensive income for the year	267	8,463
Total comprehensive income attributable to:		
Equity shareholders of the Company	262	8,463
Non-controlling interests	5	

Table of Contents**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(All amounts in RMB millions)

	Note	As at 31 December	
		2016	2015
ASSETS			
Non-current assets			
Property, plant and equipment		451,115	454,631
Lease prepayments		9,436	9,148
Goodwill		2,771	2,771
Interest in associates		32,248	31,997
Interest in joint ventures		1,175	978
Amounts due from related parties			18,322
Deferred income tax assets		5,986	5,642
Financial assets at fair value through other comprehensive income	8	4,326	4,852
Other assets		24,879	25,335
		531,936	553,676
Current assets			
Inventories and consumables		2,431	3,946
Accounts receivable	9	13,622	14,957
Prepayments and other current assets		14,023	10,864
Amounts due from related parties		22,724	2,846
Amounts due from domestic carriers		3,908	1,994
Financial assets at fair value through profit and loss		123	106
Short-term bank deposits and restricted bank deposits		1,754	202
Cash and cash equivalents		23,633	21,755
		82,218	56,670
Total assets		614,154	610,346

Table of Contents

	Note	As at 31 December	
		2016	2015
EQUITY			
Equity attributable to equity shareholders of the Company			
Share capital		179,102	179,102
Reserves		(21,017)	(20,734)
Retained profits			
Proposed final dividend	10		4,071
Others		69,322	68,777
		227,407	231,216
Non-controlling interests		275	
Total equity		227,682	231,216
LIABILITIES			
Non-current liabilities			
Long-term bank loans		4,495	1,748
Promissory notes		17,906	36,928
Corporate bonds		17,970	2,000