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CHINA UNICOM (HONG KONG) LIMITED
中國聯合網絡通信(香港)股份有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 762)

Key Financial and Performance Indicators for the First Three Quarters of 2023

So far this year, the Group has been adhering to the working principle of making steady progress. While promoting both effective qualitative improvement and reasonable quantitative growth, the Group coordinated current operations and long-term development. The Group's performance remained stable and showed progress, its profitability continued to improve, and the core functions were continuously strengthened.

The key unaudited financial data in the first three quarters of 2023 are as follows:

- Operating revenue amounted to RMB 281,693 million, up by 6.7% year-on-year.
- Service revenue amounted to RMB 252,520 million, up by 5.4% year-on-year.
- Industry Internet revenue amounted to RMB 60,686 million, accounting for 24.0% of the service revenue, up by 1.8 percentage points year-on-year.
- EBITDA¹ amounted to RMB 78,819 million, up by 2.7% year-on-year.
- The profit attributable to the equity shareholders of the Company amounted to RMB 17,246 million, up by 10.1% year-on-year.

To enable shareholders, investors and the general public to better appraise the operational performance of the Group, the board of directors (the "Board") of China Unicom (Hong Kong) Limited (the "Company", together with its subsidiaries, the "Group") announces certain selected unaudited key financial and performance indicators of the Group for the first three quarters of 2023.

Financial Data (Extracted from financial records prepared in accordance with Hong Kong Financial Reporting Standards)

Unit: RMB millions

	For the nine months ended 30 September	
	2023	2022
Service revenue	252,520	239,654
Sales of telecommunications products	29,173	24,324
Operating revenue	281,693	263,978
Interconnection charges	(8,487)	(8,154)
Depreciation and amortisation	(63,461)	(63,691)
Network, operation and support expenses	(44,193)	(40,924)
Employee benefit expenses	(46,554)	(47,794)
Costs of telecommunications products sold	(28,447)	(23,528)
Selling and marketing expenses	(25,937)	(24,717)
General, administrative and other operating expenses	(49,256)	(42,126)
Finance costs	(1,450)	(773)
Interest income	1,566	1,248
Share of net profit of associates	1,798	1,539
Share of net profit of joint ventures	1,401	1,306
Other income – net	2,698	2,937
Profit before income tax	21,371	19,301
Income tax expenses	(3,994)	(3,579)
Profit for the period	17,377	15,722
Profit attributable to:		
Equity shareholders of the Company	17,246	15,667
Non-controlling interests	131	55
	As at	As at
	30 September 2023	31 December 2022
Total assets	664,747	642,663
Total liabilities	312,407	299,127
Total equity	352,340	343,536

So far this year, the Group has been adhering to the working principle of making steady progress. While promoting both effective qualitative improvement and reasonable quantitative growth, the Group coordinated current operations and long-term development. The Group's performance remained stable and showed progress, its profitability continued to improve, and the core functions were continuously strengthened.

In the first three quarters of 2023, the Group's operating revenue amounted to RMB 281,693 million, up by 6.7% year-on-year. Service revenue amounted to RMB 252,520 million, up by 5.4% year-on-year. The profit attributable to equity shareholders of the Company amounted to RMB 17,246 million, up by 10.1% year-on-year. The revenue structure was continuously optimised, and Industry Internet revenue amounted to RMB 60,686 million, accounting for 24.0% of the service revenue, up by 1.8 percentage points year-on-year. EBITDA¹ amounted to RMB 78,819 million, up by 2.7% year-on-year.

Facing the profound changes and huge opportunities brought by the in-depth integration of the digital and real economies, the Group resolutely promoted innovative transformation, actively built up its core capabilities, and front-loaded its deployments in key areas. The core competitiveness of digital products and solutions continued to strengthen.

The Group adhered to the coordinated development of quantity, quality, structure and efficiency, continuously deepening business integration, market convergence, and capabilities integration. The stabilising effect of basic businesses has become more prominent. The mobile subscriber scale reached 332 million, with a net increase of 9.67 million, driving the Group's mobile service revenue to reach RMB 130,697 million, up by 2.6% year-on-year. The mobile ARPU reached RMB 44.3. The fixed-line broadband subscriber scale reached 111 million, with a net increase of over 7.83 million so far this year. The broadband access and application revenue increased by 8.7% year-on-year to RMB 46,042 million. The blended broadband ARPU² reached RMB 47.9. Subscriber value was on a steadily rising trend.

The Group seized the key opportunities brought by the digital transformation of the economy and society, and focused on promoting technological innovation, industrial empowerment, and ecosystem co-construction. Innovative businesses such as Unicom Cloud, IoT, Big Data, and digital applications have flourished, providing new momentum for the digital economy. The Group continued to enrich cloud resource reserves, comprehensively meeting customers' cloudification needs in various scenarios. It supported digital government and smart city construction, and actively participated in the digital transformation of central state-owned enterprises. "Unicom Cloud" maintained good growth, and achieved revenue³ of RMB 36.70 billion, up by 36.6% year-on-year. The Group accelerated the advancement of ubiquitous interconnection among people, devices, and things, and leveraged the Gewu platform to empower industry breakthroughs. It developed industry-specific solutions in key sectors such as industrial Internet, smart cities, and ecological environmental protection. The number of IoT terminal connections reached 467 million, driving IoT business revenue to reach RMB 7,521 million, up by 21.9% year-on-year. With a view to unleashing the value of data factors, the Group deeply penetrated sectors such as digital government, digital finance, smart tourism, industrial Internet, etc. Focusing on scenario demand, it enriched key industry applications to contribute to the construction of a digital society and the development of the real economy. Big Data business revenue

reached RMB 4,067 million, up by 46.7% year-on-year. The Group continued to create new offerings in the field of digital smart living and smart home applications. The number of paying subscribers of major products of Personal Digital Smart Living and Unicom Smart Home businesses⁴ reached nearly 200 million, with a net increase of nearly 60 million so far this year. Focusing on vertical industries, the Group refined its specialised and innovative capabilities. The number of 5G virtual private network service customers reached 6,897, up by over 3,000 as compared to the end of last year.

The Group focused on strengthening the construction of new digital information infrastructure, and accelerated the construction of 5G, broadband, government and enterprise, and computing power networks, solidifying the digital base for economic and social development and the network foundation for the high-quality development of enterprises. It actively embraced the vast blue ocean of the digital economy, continuously improving technological innovation capabilities and increasing research and development investment. The number of patents granted so far this year reached 1,888, up by 38.2% year-on-year. The Group's deployment in strategic emerging businesses further accelerated, and solid progress was made in achieving new results in its technological independence and strength.

2023 is a pivotal year for China Unicom's transformation and upgrade to a digital technology innovation enterprise. The Group will continue to firmly implement the Cyber Superpower, Digital China and Smart Society strategic deployments. It will continue to improve the core competitiveness and enhance core functions, creating greater value for shareholders, customers, and society, and make new and greater contributions to Chinese style modernisation via China Unicom's high-quality development.

Caution Statement

The Board wishes to remind shareholders of the Company and investors that the above financial and business data are based on the Group's internal records and management accounts and have not been reviewed or audited by the auditors. The Company's shareholders and investors are cautioned not to unduly rely on such data. In the meantime, the Company's shareholders and investors are advised to exercise caution in dealing in the securities of the Company.

By order of the Board
China Unicom (Hong Kong) Limited
Chan Ngar Wai
Company Secretary

Hong Kong, 24 October 2023

Notes:

1. EBITDA represents profit for the period before finance costs, interest income, share of net profit of associates, share of net profit of joint ventures, other income-net, income tax expenses, 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 Company. However, it is a non-GAAP financial measure which does not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies.

2. Blended broadband ARPU = monthly average revenue from broadband access and applications / average number of broadband subscribers.
3. Unicom Cloud revenue includes revenue of cloud resources, cloud platform, cloud service, cloud integration, cloud interconnection, cloud security, etc. generated from integrated innovative solutions.
4. Personal Digital Smart Living products mainly include Video Ringtone, Unicom Assistant, Unicom Cloud Drive. Unicom Smart Home products mainly include Unicom Networking, Unicom UHD, Unicom Housekeeper, Unicom Smart Fixed-Line.

Certain statements contained in this announcement may be viewed as "forward-looking statements". Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, we do not intend to update these forward-looking statements. Neither the Company nor the directors, employees or agents of the Company assume any liabilities in the event that any of the forward-looking statements does not materialise or turns out to be incorrect.

As at the date of this announcement, the board of directors of the Company comprises:

Executive Directors:	Chen Zhongyue, Wang Junzhi and Li Yuzhuo
Independent Non-executive Directors:	Cheung Wing Lam Linus, Wong Wai Ming, Chung Shui Ming Timpson and Law Fan Chiu Fun Fanny