

To: Business/Finance Editors

**CHINA UNICOM'S FULL-YEAR DIVIDEND ROSE 23%, CAPITAL
EXPENDITURE THIS YEAR TO DROP 12%**

Highlights:

- Operating revenue increased steadily to RMB372.6 billion, up 5.0% year-on-year. The profit attributable to equity shareholders of the Company reached RMB18.7 billion, representing a year-on-year increase of 11.8%, continuing double-digit growth.
- Return on equity (ROE) reached 5.4%, the best in the recent years.
- With 5G network coverage nearing completion, the Company's investment focus is shifting from stable CC business to high-growth CDSA business. CAPEX in 2023 amounted to RMB73.9 billion. Network investment saw an inflection point.
- The Board declared a final dividend of RMB0.1336¹ per share (pre-tax). Together with the interim dividend of RMB0.203 per share (pre-tax) already paid, the total dividend for the year amounted to RMB0.3366 per share (pre-tax), representing a year-on-year increase of 22.8%, which is significantly higher than the 11.8% growth of basic earnings per share.

Financial Highlights (RMB millions)	2022	2023	Change YoY
Operating Revenue	354,944	372,597	5.0%
Service Revenue ²	319,348	335,170	5.0%
EBITDA³	99,169	99,812	0.6%
Net Profit⁴	16,745	18,726	11.8%
Basic EPS (RMB)	0.547	0.612	11.8%
Dividend per share (RMB)	0.274	0.3366	22.8%

Hong Kong, 19 March 2023 – China Unicom (Hong Kong) Limited and its subsidiaries (“China Unicom” or “the Company”) (HKEx: 0762) is pleased to announce today its 2023 annual results.

¹ The 2023 final dividend declared will be subject to approval at the Company's annual general meeting.

² Service revenue = operating revenue – sales of telecommunications products.

³ EBITDA represents profit for the year before finance costs, interest income, share of net profit of associates, share of net profit of joint ventures, other income-net, income tax expense, depreciation and amortisation.

⁴ Net profit represented profit attributable to equity shareholders of the Company.

In 2023, the Company steadily promoted the implementation of its strategic system, actively coordinated the current operation and long-term development, and focused on both scale growth and value enhancement. It fully assumed the main responsibilities of Cyber Superpower and Digital China development, and focused on the two main businesses of Connectivity and Communications (CC) and Computing and Digital Smart Applications (CDSA). The Company achieved steady progress in business development, rapidly strengthened its fundamental capabilities, continuously amplified its distinctive advantages and deepened innovation and reform, laying a more solid foundation for its long-term development.

NET PROFIT MAINTAINED DOUBLE-DIGIT GROWTH, FINAL DIVIDEND RMB 13.36 CENTS PER SHARE

In 2023, the Company made efforts to promote the coordinated development of the two main businesses to achieve effective quality enhancement and reasonable growth in scale. Operating revenue increased steadily to RMB372.6 billion, up 5.0% year-on-year. Service revenue amounted to RMB335.2 billion, up 5.0% year-on-year. EBITDA reached RMB99.8 billion. The profit attributable to equity shareholders of the Company reached RMB18.7 billion, representing a year-on-year increase of 11.8%, continuing double-digit growth. Return on equity (ROE) reached 5.4%, the best in the recent years.

The Company insisted on network-business coordination and precise investment. With 5G network coverage nearing completion, the Company's investment focus is shifting from stable CC business to high-growth CDSA business. CAPEX in 2023 amounted to RMB73.9 billion. Network investment saw an inflection point. The Company comprehensively enhanced its value creation ability, with its free cash flow⁵ growing 8.3% year-on-year to RMB28.5 billion.

After due consideration of the Company's robust business development, the Board declared a final dividend of RMB0.1336 per share (pre-tax). Together with the interim dividend of RMB0.203 per share (pre-tax) already paid, the total dividend for the year amounted to RMB0.3366 per share (pre-tax), representing a year-on-year increase of 22.8%, which is significantly higher than the 11.8% growth of basic earnings per share.

5G PACKAGE SUBSCRIBER PENETRATION RATE NEARLY 80%

In 2023, Connectivity and Communications (CC) business, which encompasses mobile connectivity, broadband connectivity, TV connectivity, leased line connectivity, communications services as well as information services, achieved revenue of RMB244.6 billion. It contributed to three quarters of the service revenue of CC and CDSA combined. The Company's connectivity scale further expanded, with the total number of CC subscribers

⁵ Free cash flow represents operating cash flow less capital expenditure. 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.

exceeding one billion⁶. **For mobile connectivity**, The Company strengthened coordination among terminals, network and business development. Driven by 5G upgrade, the Company continued to strengthen coordinated development, striking a balance among scale, quality, structure and efficiency. The number of mobile subscribers reached 333 million, with a net addition of 10.60 million in 2023. The net addition increased significantly by 90% year-on-year. Subscriber mix continued to improve, and the penetration rate of 5G package subscribers reached 78%, an increase of 12 percentage points year-on-year. Actively seizing the development opportunities of universal connectivity, the number of Internet of Things (IoT) connections reached 490 million in 2023, of which 4G + 5G high-speed connections accounted for over 90%, injecting fresh impetus into the development of mobile connectivity. **For broadband connectivity**, the Company continued to build its reputation for gigabit service. The number of fixed-line broadband subscribers reached 113 million, with a net addition of 9.79 million year-on-year. The net addition hit a 10-year high. Subscriber mix improved significantly with the integration penetration of broadband subscribers reaching 76%. The penetration rate of gigabit subscribers reached 22%, an increase of 6 percentage points year-on-year. **For information services**, the Company continued to bolster the “platform + cloud network + applications” development model and constantly enhanced information applications. Information services revenue exceeded RMB10 billion. The number of paying subscribers of Personal Digital and Smart Living and Unicom Smart Home reached 100 million.

UNICOM CLOUD REVENUE REACHED RMB51 BILLION, SURGING 41.6% YOY

The new round of technological revolution and industrial transformation is overwhelming, and the prosperity and vitality of the digital economy have opened up new and bigger room for the development of China Unicom. In 2023, Computing and Digital Smart Applications (CDSA), which encompasses Unicom Cloud, IDC, system integration, data services, digital and smart applications and cybersecurity, achieved revenue of RMB75.2 billion. It accounted for a quarter of the service revenue of CC and CDSA combined, and contributed to more than half of the Company’s incremental service revenue. **For Unicom Cloud**⁷, revenue reached RMB51.0 billion in 2023, with year-on-year growth of 41.6%. Leveraging the differentiated edge of computing power and network integration as well as significantly richer computing power resources, its cloud resources covered over 230 cities. The Company met customers’ need for scenario-based customisation. It built a series of benchmark cases in the fields of government affairs, healthcare, transportation and education, empowering quality and efficiency enhancement in various industries. **For data services**, the Company seized policy opportunities such as “Digital China” construction and the “Data Factor X” Three-Year Action Plan, and leveraging its centralised platform and cutting-edge Big Data capability, its data services accounted for over 50% market share for five consecutive years, outperforming in the industry. Its data processing capacity continued to increase, and the daily amount of data

⁶ The total number of CC subscribers as at the end of January 2024.

⁷ Unicom Cloud revenue represents revenue generated from cloud resources, cloud platform, cloud services, cloud integration, cloud interconnection, cloud security, etc. by integrating innovative solutions.

collected doubled year-on-year to 1.2 PB. The Company passed the highest DCMM5 certification with the highest score ever. It built the No. 1 brand in digital government and developed 15 provincial government affairs Big Data platforms, while the total number of smart city service districts and counties exceeded 800. **For digital and smart applications**, the Company has accumulated a total of 30,000 5G industry application projects covering 71 major categories of the national economy, serving more than 8,500 5G private network customers. China Unicom formed a leading edge in key sectors such as industrial Internet, digital government, and Internet of vehicles, etc. During Mobile World Congress (MWC) 2024, it won three Global Mobile (GLOMO) Awards, leading the high-quality development of 5G digital and smart applications. **For cybersecurity**, based on the “Mogong” platform, the Company developed a new model of “platform + components + services” security operating services. It built China’s first mega-city digital security operation centre for a client. It promoted open cooperation in the security ecosystem and built a large-scale, product-rich and accessible security cloud market, supporting cybersecurity revenue to achieve a rapid growth of 120%.

NETWORK CO-BUILD CO-SHARE HAS SAVED RMB340 BILLION

The Company accelerated the construction of digital information infrastructure in order to consolidate the foundation of its long-term development. The Company had over 1.21 million 5G mid-band base stations and 680,000 900M base stations. Its mobile network coverage continued to strengthen. Its broadband network maintained its industry edge in Northern China, while its foundational capabilities in Southern China were markedly boosted. For government and enterprise network, it provided “hard and soft” high-quality private network services. The Company fully implemented the national Eastern Data and Western Computing strategy, and proactively responded to the transformation and upgrade of AI computing power demand, pushing forward “1+N+X” AI computing planning and deployment. It has constructed over 100G high-speed transmission links among national hubs, reinforcing the optical transport foundation for computing power network. The latency of the Company’s public IP backbone network maintained its edge in the industry. The Company launched the world’s first 5G roaming pre-commercial trial in Xinjiang province with fellow operators to further improve the network resources utilisation efficiency in remote areas. The Company took practical actions to echo the “dual carbon” policy, saving operating expenses of about RMB39.0 billion and carbon emissions of about 11.50 million tonnes in 2023, and saving cumulative capital expenditure of about RMB340.0 billion.

CAPEX THIS YEAR TO BE UNDER RMB65 BILLION

At present, the trend of digitalization, intelligent transformation and green development is unstoppable. The new round of technological revolution and industrial transformation has developed rapidly, giving rise to unprecedented new services, new models and new business formats. Under the new landscape, the strategic, fundamental and leading role of the

information and communication industry has become more and more prominent. In 2024, the Company is confident in maintaining stable growth in operating revenue and double-digit growth in profit. CAPEX is expected to be within RMB65.0 billion, in which CDSA investment will be appropriately brought forward and its deployment will be strengthened. The Company will insist on making progress while maintaining stability, deeply implement the five strategies to build a strong enterprise, i.e. via technology, talent, reform, digital and smart transformation, and brand. We will deeply implement nine key action plans in respect of CC, computing network integration, digital and smart applications, internationalisation, Big Data innovation, AI innovation, digital new infrastructure, high-quality services and cybersecurity, in order to accelerate becoming a world-class technology service enterprise with global competitiveness.

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Certain statements contained in this press release 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.

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