



Annual Results 2023

19 March 2024

China Unicom (Hong Kong) Limited
762.HK

Overall Results

Financial Performance

Overall Results

Steady growth in revenue

Operating revenue

RMB **372.6** bil **↑ 5.0%**

Rapidly improving profitability

Net profit¹

RMB **18.7** bil **↑ 11.8%**

Significantly enhanced investment returns

ROE

5.4% Record high in recent years

Note:

1. Net profit refers to the profit attributable to equity shareholders of the Company

Main Responsibilities and Main Businesses

Two Main Responsibilities



**Cyber
Superpower**



Digital China

Two Main Businesses



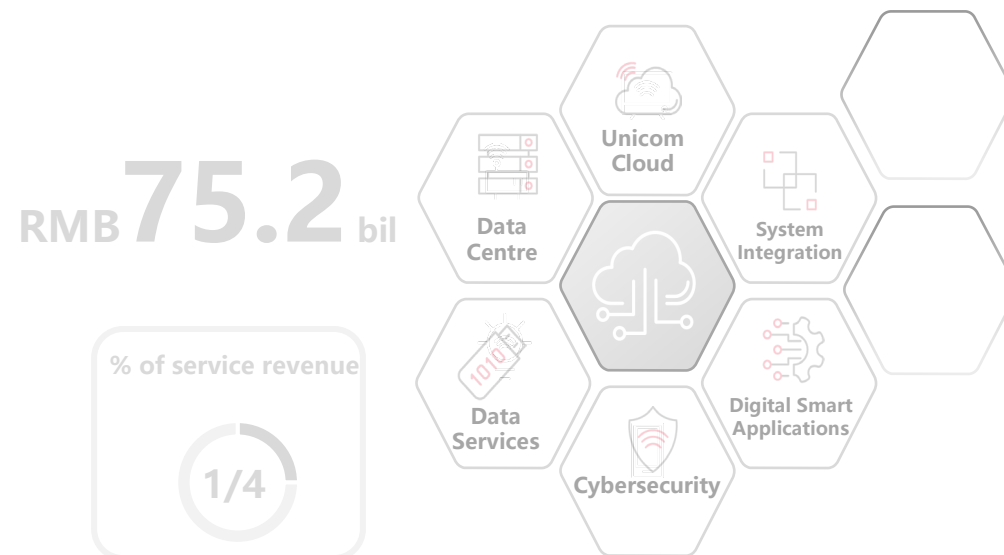
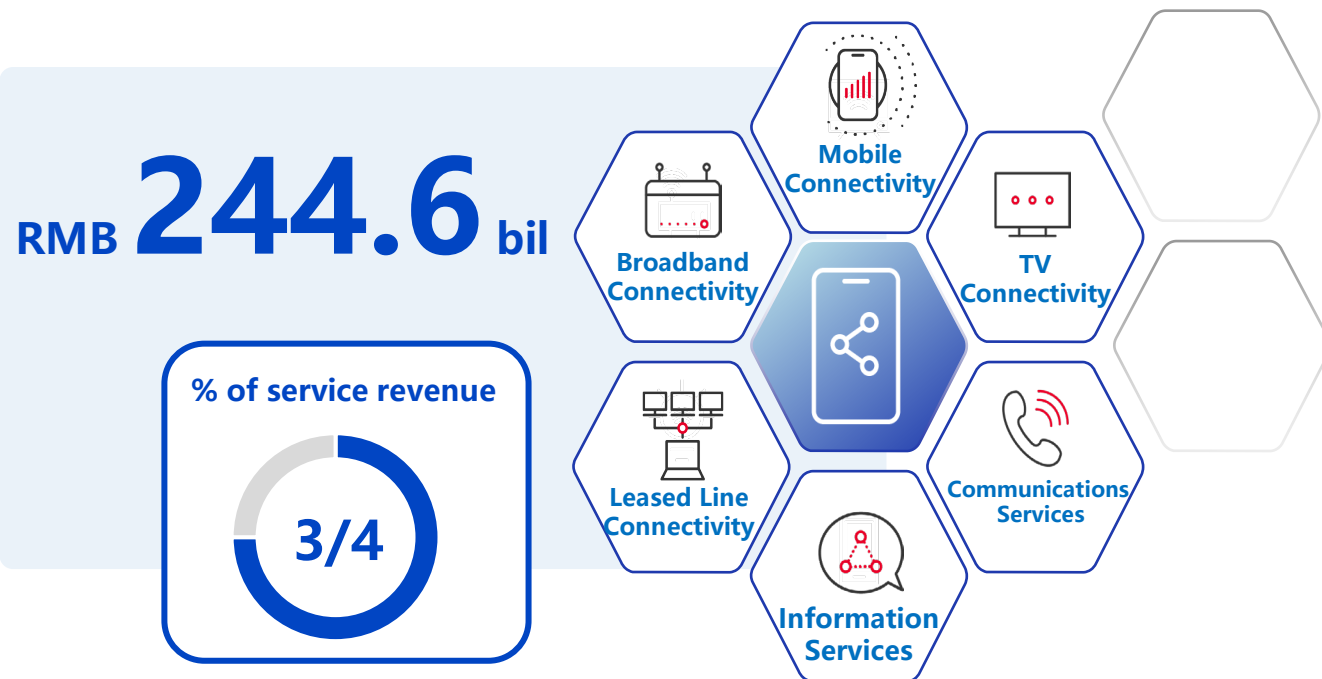
**Connectivity and
Communications**



**Computing and Digital
Smart Applications**



Connectivity and Communications (CC)

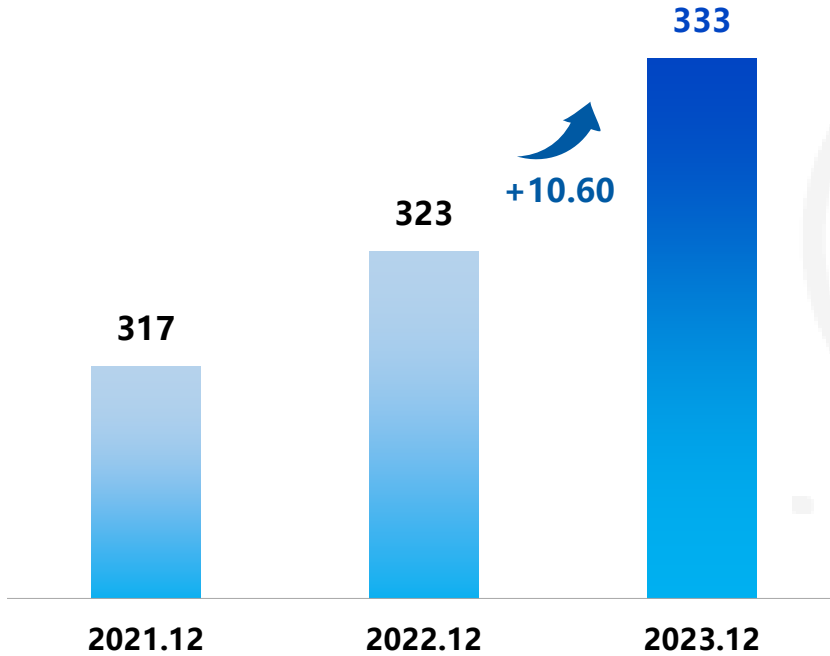




Mobile Connectivity



Mobile subscribers (mil)



Accelerating scale growth

Net addition of subscribers yoy

↑ **90%**

Optimising subscriber structure

5G subscriber penetration rate

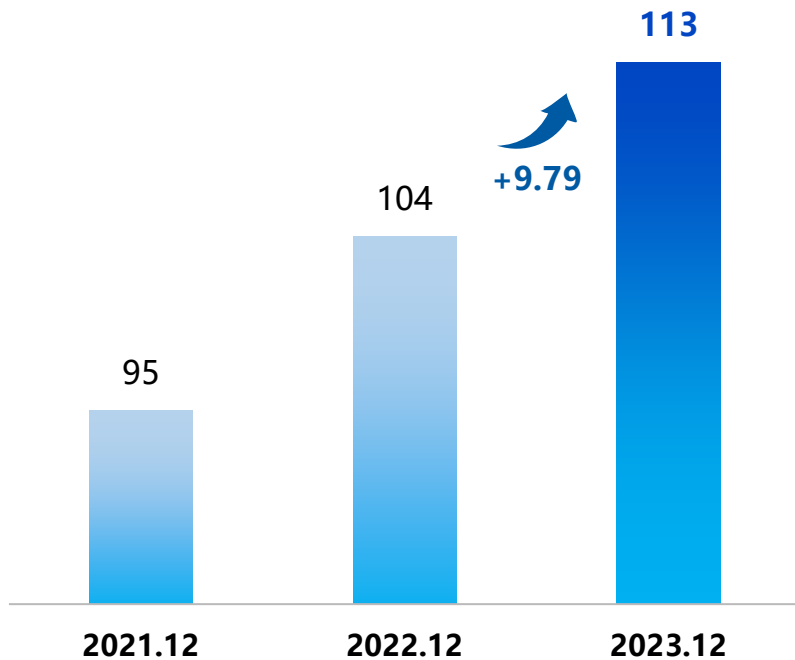
78%



Broadband Connectivity



Fixed-line broadband subscribers (mil)



Focusing on integrated development

Broadband-mobile integration penetration rate **76%**

Optimising subscriber structure

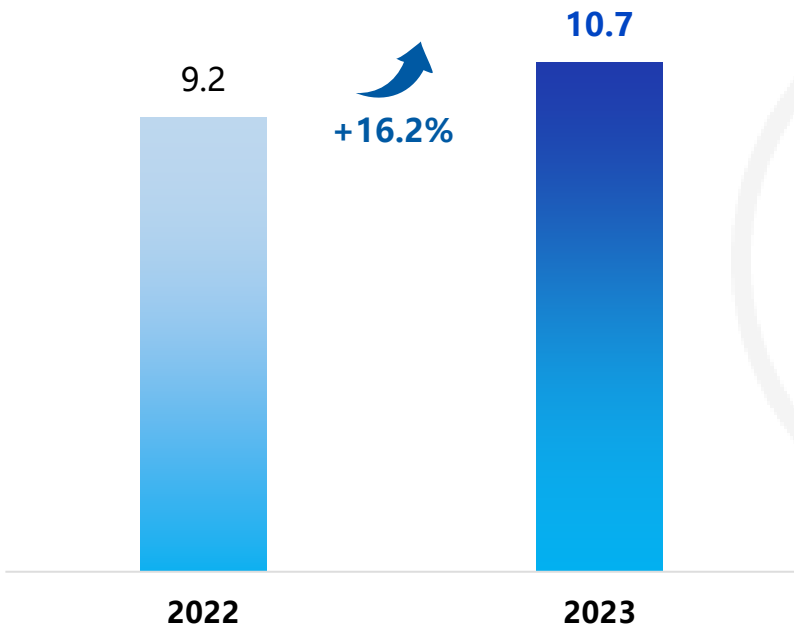
Gigabit broadband subscriber penetration rate **22%**



Information Services



Information services revenue (RMB bil)



Paying subscribers



Personal Digital and Smart Living

99.23mil



Unicom Smart Home Business

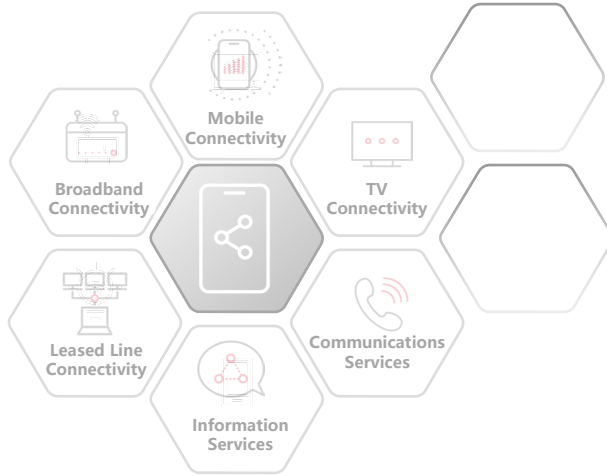
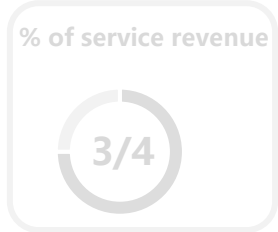
102.96mil



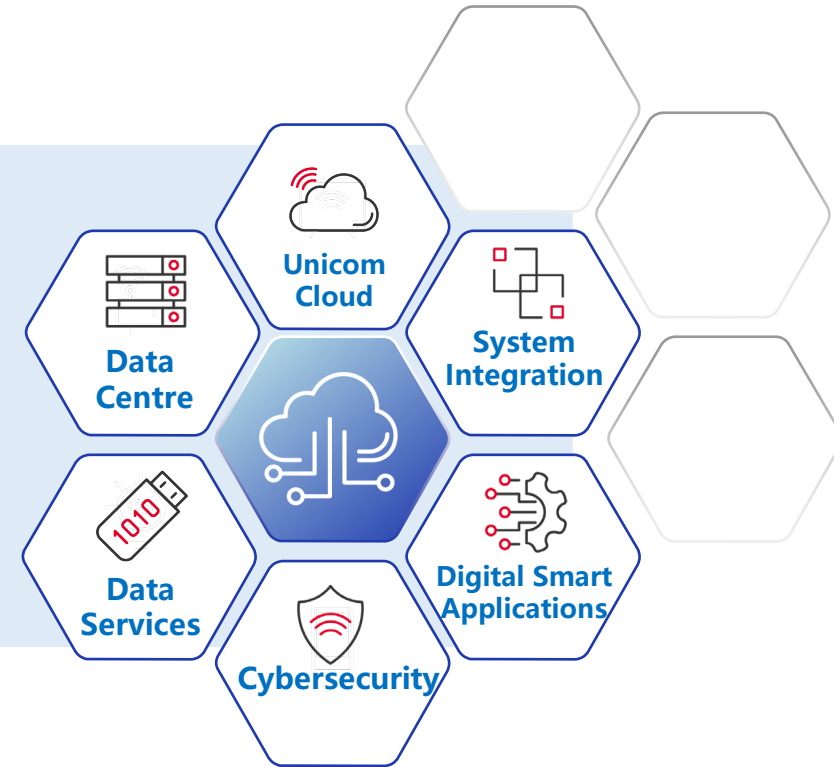
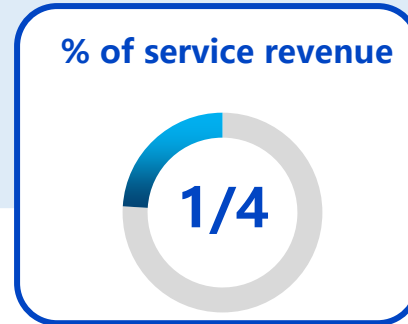
Computing and Digital Smart Applications (CDSA)



RMB 244.6 bil

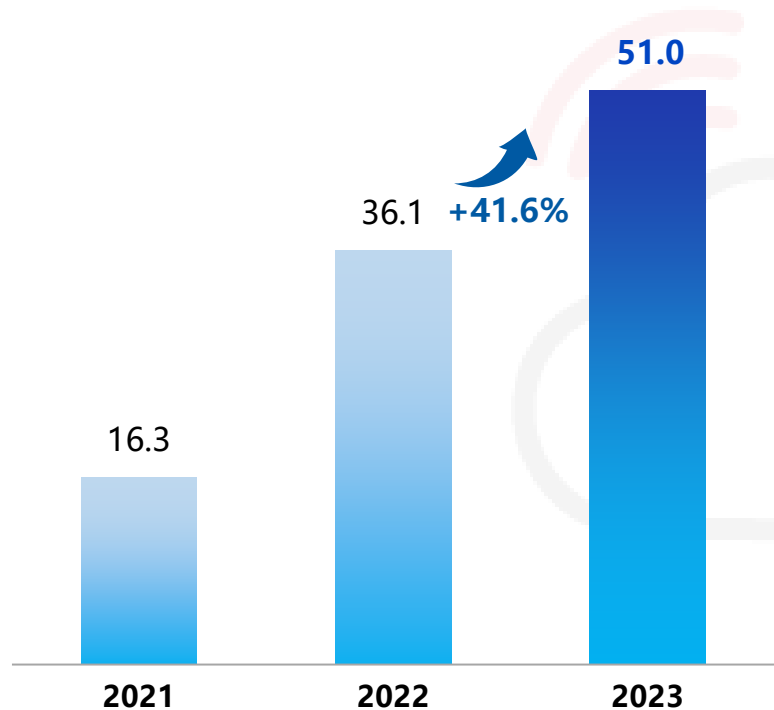


RMB 75.2 bil





Unicom Cloud¹ revenue (RMB bil)



Empowerment of thousands of industries

No. of ministry-level projects

21

No. of provincial government clouds

19

No. of medical clouds

>1,000



Strengthening AI computing deployment

AI computing capability system²

1+N+X

Yuanjing AI LLM³

1+1+M

Note:

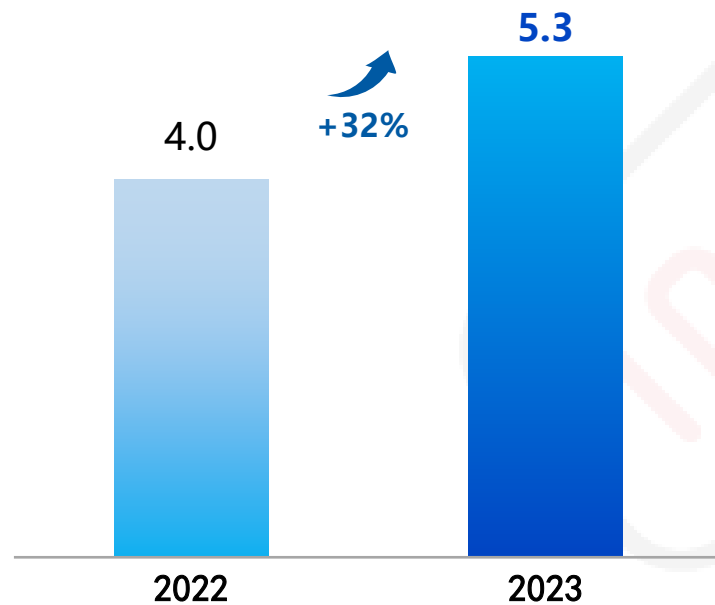
1. Unicom Cloud revenue included revenue of cloud resources, cloud platforms, cloud services, cloud integration, cloud interconnection, cloud security, etc., generated from integrated innovative solutions
2. The "1+N+X" AI computing capability system includes one super-scale centralised AI computing centre, N AI computing training and inference integrated hubs, and X localised AI computing inference nodes
3. The Yuanjing "1+1+M" LLM system includes one set of foundation LLM, one LLM platform, and over 10 LLM for key industries



Data Services



Data services revenue (RMB bil)



Industry-leading market share and core capabilities

Market share for 5 consecutive years

> 50%

Passed with the highest score ever

DCMM5



Comprehensive services for government affairs digital transformation

No. of provincial government affairs Big Data platforms

15

Smart city service districts and counties

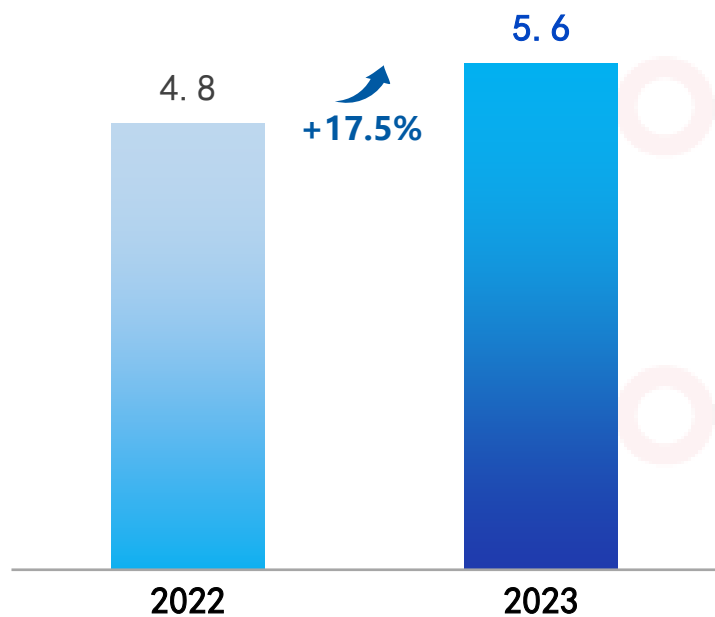
> 800



Digital Smart Applications



Digital Smart Applications revenue (RMB bil)



Scale Development

National economy covered by 5G applications

71 categories

No. of clients served by 5G private networks

8,563



Proprietary R&D

No. of professional and specialised products with >RMB100 mil in revenue

32

Contract value for self-developed product projects

RMB **16** bil

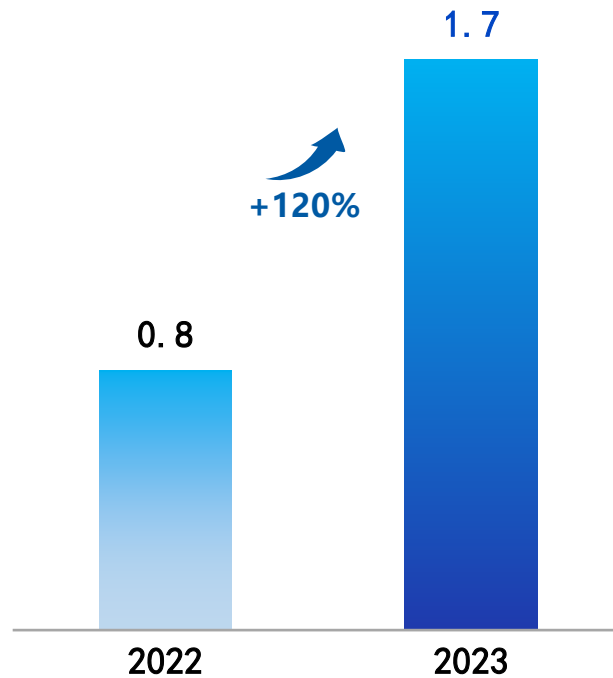


Cybersecurity



Cybersecurity revenue

(RMB bil)



Continuous enhancement in basic capabilities

Mega-city digital security operation centre

First in China

- Established a joint tracing mechanism, **pioneered in establishing an anti-fraud centre in the industry**, deepened joint model building with Internet companies, and strengthened Big Data anti-fraud capability



Breakthrough in product integration

No of Mogong security platform products

>200

No. of proprietary and co-created products

100

Cumulative no. of clients served

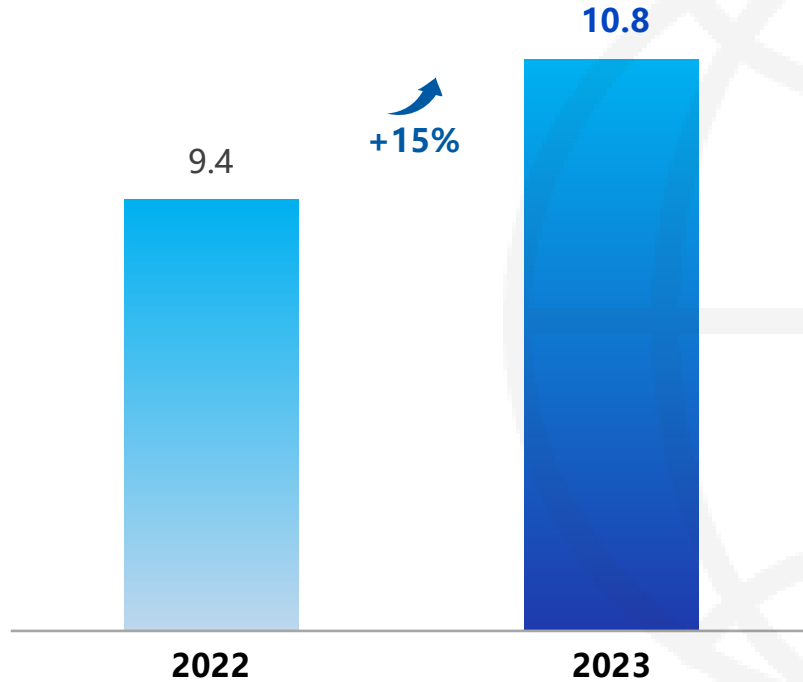
>10,000



International Business



International business revenue (RMB bil)



Accelerating improvement of business capabilities

International roaming revenue growth

↑ 59%

Global intelligent networking revenue growth

↑ 87%



Building high-quality international computing networks

International submarine cable

660k km

Overseas data centre cabinets

10,000



Contributing to the development of "One Belt, One Road"

Global branches

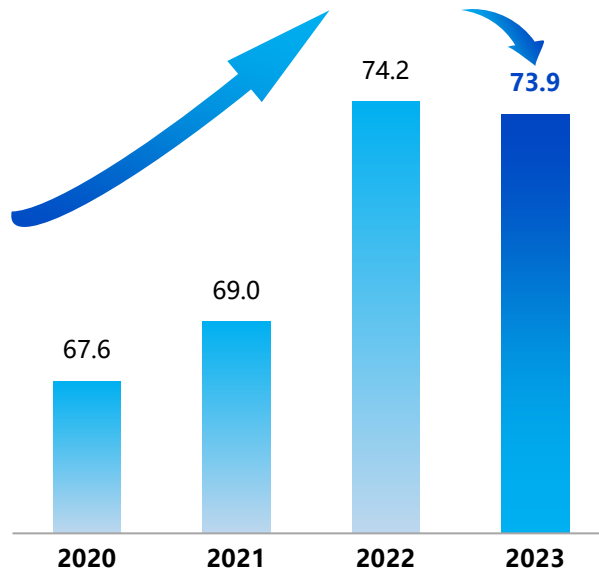
36

ASEAN region revenue growth

↑ 33%

CAPEX

CAPEX (RMB bil)



Significant achievements in co-build co-share

Capability

No. of shared 5G mid-band BTS

> 1.21 mil

No. of shared 4G BTS

> 2.0 mil

Innovation

The world's first and largest

5G SA co-build co-share network

Efficiency

4G 5years -> 5G 3years

Time to achieve national coverage at counties and above regions

Returns

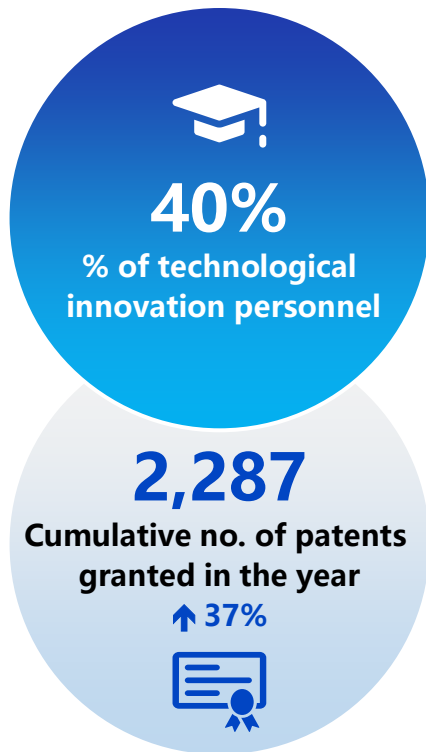
Accumulated CAPEX savings

RMB 340 bil

Annual OPEX savings

RMB 39 bil

Technological Innovation



Research on core technologies

- Led **40** international standardisation projects, undertook **12** national key research topics, and achieved breakthroughs in **11 critical technologies**
- **Industry's first** low-earth orbit non-terrestrial mobile network laboratory business validation



Cultivating innovative talents

- A team of over 40 high-level scientific and technological talents, including leading talents and specialised experts, has been established. There are more than a thousand expert talents.



ESG Leading Enterprises Awards

Bloomberg Businessweek / Chinese Edition & Deloitte

The 5th ESG Leading Enterprise Award 2023



Best Managed Company in China

FinanceAsia

2023 Asia's Best Managed Companies



Asia's Most Honored Telecom Company

Institutional Investor

2023 Asia Executive Team



Platinum Award - Excellence in Environmental, Social, and Governance

The Asset

ESG Corporate Awards 2023



E Environment

- Leveraged integrated innovation of digital technologies to support the construction of Beautiful China and empowered the construction of a greener and smarter digital ecological civilisation



21

No. of data centres selected in the list of national green data centres

S Society

- Adhering to the people-oriented principle, **continuously striving for rural revitalization and focusing on bridging the digital divide**



> 250K village

Served by Unicom Digital Village platform



Demonstrated responsibility in floods, earthquake, and other emergency relief

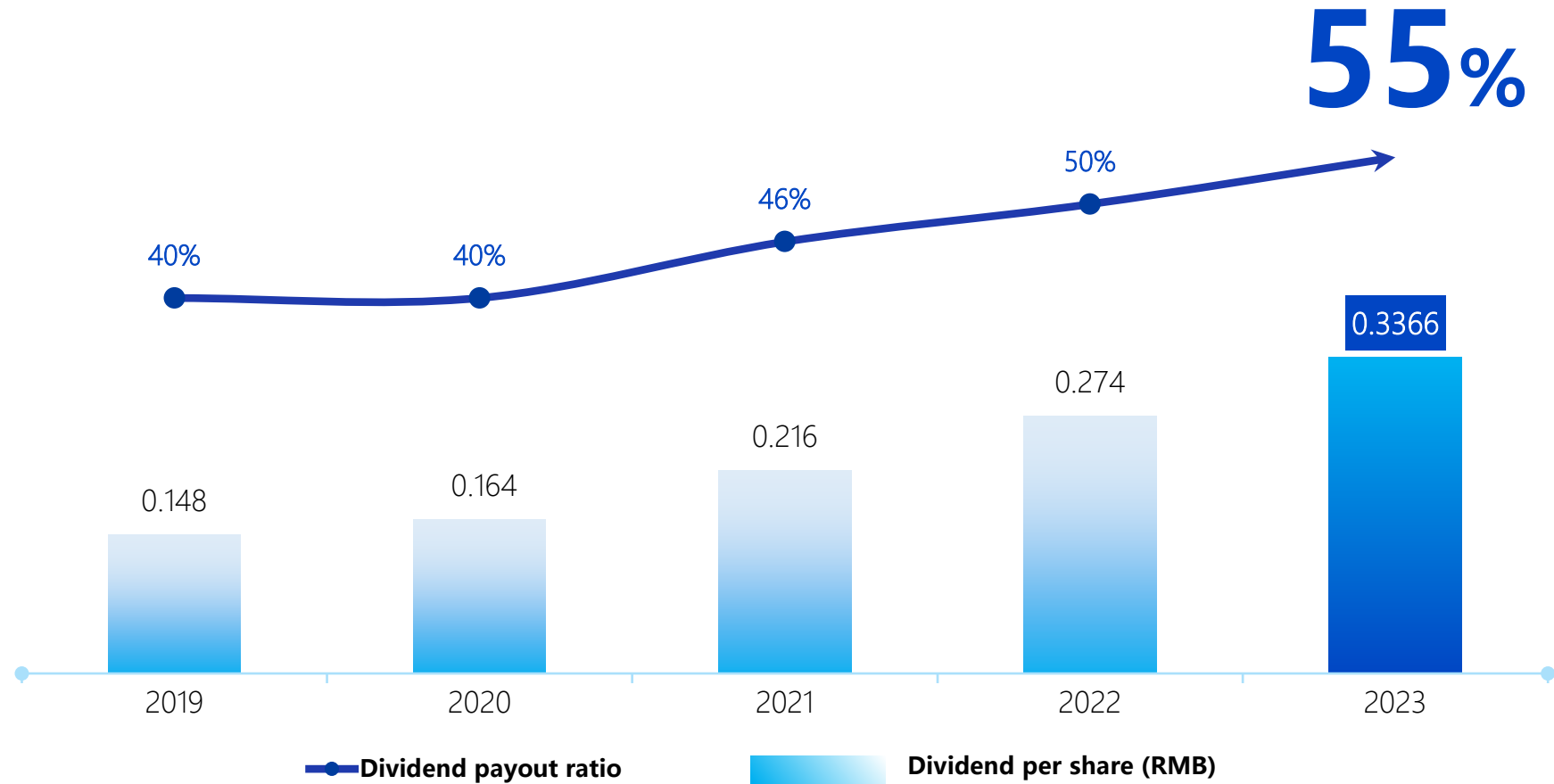
G Governance

- Continuously improving corporate governance, focusing on shareholder concerns, **actively conveying the Company's new development and new value to the market**



2023 reverse roadshow events in Fujian and Guangdong provinces

Dividend



Notes: 1. The full-year dividend per share amounts presented on this page reflect the total amount of interim dividend per share and final dividend per share.
2. The 2023 final dividend declared will be subject to approval at the Company's annual general meeting.

2024 Outlook

Strategies to Build a Strong Enterprise



Build a strong enterprise with **technology**



Build a strong enterprise with **talents**



Build a strong enterprise with **reform**



Build a strong enterprise with **digital intelligence**



Build a strong enterprise with **brand**

Key Actions

Growth



Connectivity and Communications Development



Computing and Network Integration Development



Digital Smart Application Development



International Development

Innovation



Big Data Innovation



Artificial Intelligence Innovation

Foundation



Digital New Infrastructure



High Quality Service



Cybersecurity

2024 Guidance

Revenue

Operating revenue

Steady growth

Profit

Profit before tax

Double-digit growth

Investment

CAPEX

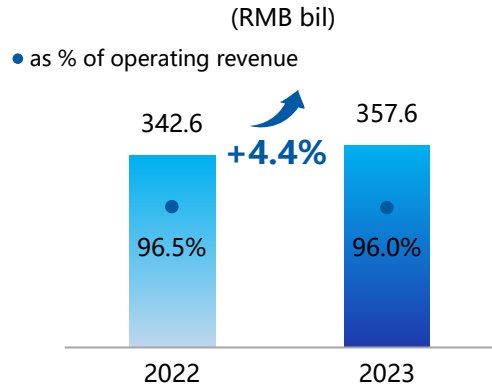
RMB **65.0** bil

Overall Results

Financial Performance

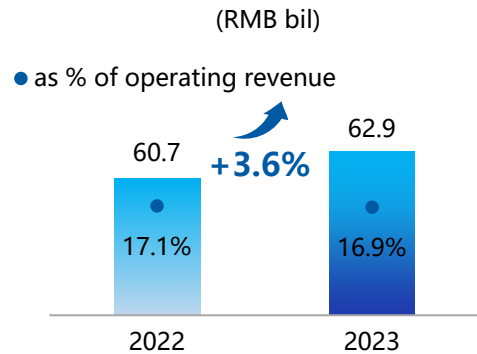
Cost Analysis

Total operating expenses



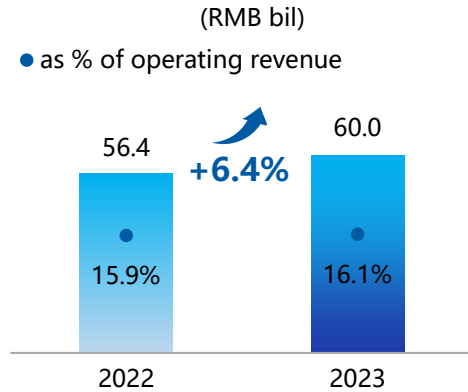
Mainly due to increased investment in innovative businesses and strategic resources to ensure sustainable growth in the future

Employee benefit expenses



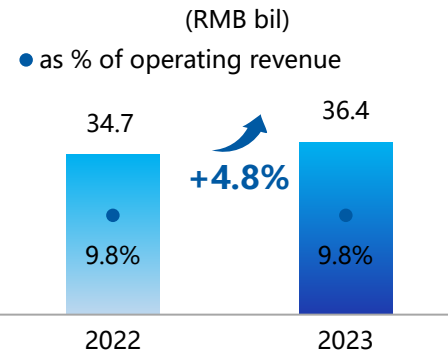
Mainly due to the ongoing efforts to reform the incentive mechanism, strengthened performance linked incentives, and optimised human capital efficiency

Network operation & support expenses



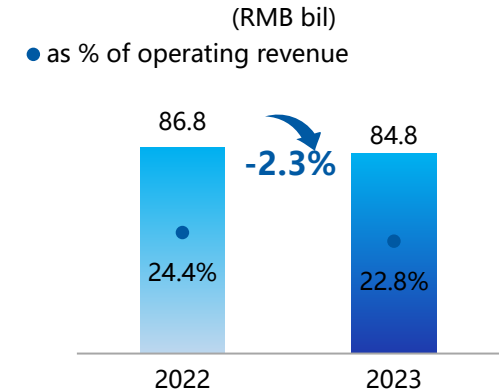
Despite the expansion of the Company's network and related infrastructure, it remained stable as % of operating revenue

Costs of telecommunication products sold



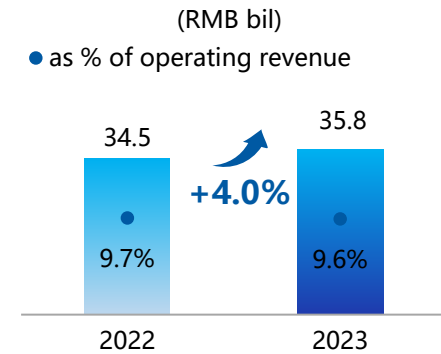
Basically in-line with 5.1% sales growth of telecommunication products

Depreciation & amortisation



Mainly due to the effective control of capital expenditures in recent years and network co-build co-share

Selling expenses

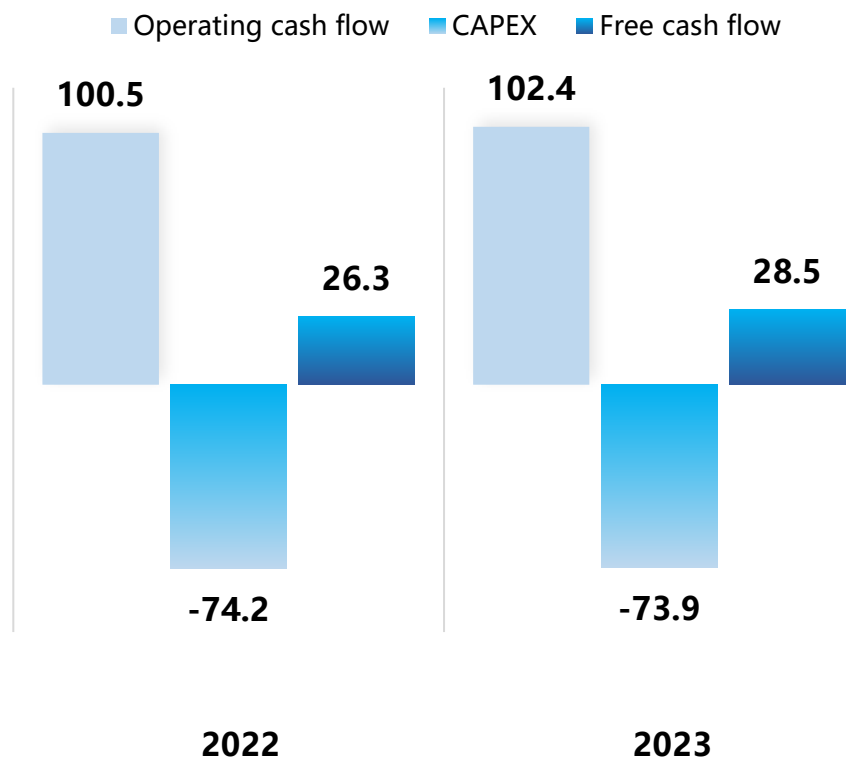


Appropriately increased selling expenses to enhance competitiveness, while the growth rate was lower than operating revenue growth of 5.0%

Cash Flows and Balance Sheet

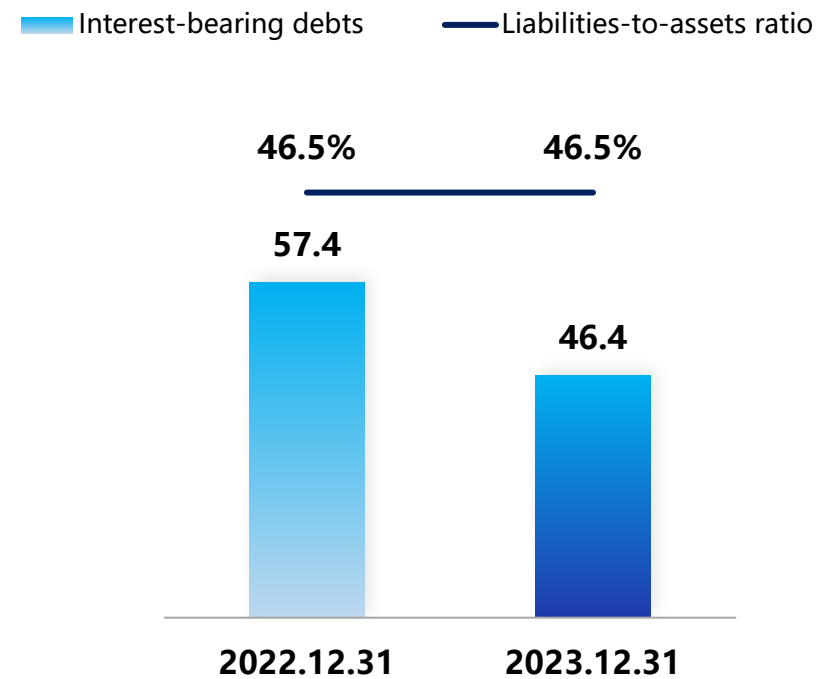
Cash flows

(RMB bil)



Debts and liabilities-to-assets ratio

(RMB bil)



THANK YOU

Appendix: Extracts from Consolidated Statement of Financial Position

(RMB mil)	2022	2023
Current Assets	146,243	158,101
Non-current Assets	496,420	502,950
Total Assets	642,663	661,051
Current Liabilities	250,870	263,652
Non-current Liabilities	48,257	43,501
Total Liabilities	299,127	307,153
Total Equity	343,536	353,898

Appendix: CC Subscriber Scale

		Units	2022	2023
CC Subscriber Scale		Mil	861.74	988.39
Of which, mobile business	Billing Subscribers	Mil	322.70	333.30
	Total Handset Data Traffic	Bil GB	52.5	58.1
	Billing Subscriber ARPU	RMB	44.3	44.0
	Handset User DOU	GB	13.7	14.7
	Handset User MOU	Mins	183	178
	5G Package Subscribers	Mil	212.73	259.64
Fixed-line broadband business	Subscribers	Mil	103.63	113.42
	Blended ARPU of fixed-line broadband subscribers	RMB	47.8	47.6
Fixed-line local access business	Subscribers	Mil	47.74	45.41
IoT business	IoT terminal connections	Mil	385.54	493.91