

To: Business/Finance Editors

CHINA UNICOM ANNOUNCES 2022 INTERIM RESULTS

Highlights:

- Revenue grew rapidly with steady improvement in profitability. The Company achieved service revenue of RMB161.0 billion, representing a year-on-year increase of 8.3%, which was a new high for the same period in recent years. Profit attributable to equity shareholders of the Company reached RMB11.0 billion, representing a year-on-year increase of 19.5%.
- Basic businesses' growth momentum was stable and trending well. The Company achieved mobile service revenue of RMB84.9 billion, representing a year-on-year increase of 3.4%. Broadband access revenue reached RMB23.0 billion, representing a year-on-year increase of 4.3%. The number of broadband access subscribers recorded a net addition of 4.40 million, which was a new high for the same period in the past 10 years.
- Transformation of growth drivers gained momentum. Industry Internet business revenue reached RMB36.9 billion, representing a year-on-year increase of 31.8%. It contributed to over 70% of the Company's incremental revenue. Within that, Unicom Cloud revenue more than doubled and reached RMB18.7 billion, representing a year-on-year increase of 143.2%.
- The Company made outstanding achievements in R&D of core technologies and steadily strengthened its technological innovation capabilities.
- Network co-build co-share continued to deepen and operational efficiency improved steadily.
- The Company attaches great importance to shareholders' return. After due consideration of the Company's sound business development, the Board has resolved to distribute an interim dividend of RMB0.165 per share, representing a year-on-year increase of 37.5%.

Financial Highlights (RMB millions)	1H2021	1H2022	Change YoY
Operating Revenue	164,174	176,261	7.4%
Service Revenue ¹	148,674	160,971	8.3%
Of which: Industry Internet Revenue	28,030	36,938	31.8%
EBITDA²	49,489	51,412	3.9%
Net Profit³	9,167	10,957	19.5%
Basic EPS (RMB)	0.300	0.358	19.5%
Dividend per share (RMB)	0.120	0.165	37.5%

¹ Service revenue = operating revenue – sales of telecommunications products.

² 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 expense, depreciation and amortisation.

³ Net profit represented profit attributable to equity shareholders of the Company.

Hong Kong, 8 August 2022 – China Unicom (Hong Kong) Limited and its subsidiaries (“China Unicom” or “the Company”) (HKEx: 0762) is pleased to announce today its 2022 interim results.

In the first half of 2022, facing sheer challenges such as the sporadic outbreak of the pandemic in certain areas, the Company firmly adhered to the general working principle of making progress while maintaining stability. Under the guidance of the new strategic planning system, the Company actively embraced the huge opportunities brought by the digital economy, and achieved decent results in terms of profitability, fundamental capabilities, operational efficiency and technological innovation. The Company fully manifested its brand as “the first choice of the country, government and people” as it accomplished various challenging tasks such as the provision of communication support for the Winter Olympics, disaster-related rescue and relief work, and pandemic prevention and control.

In the first half of 2022, the Company achieved service revenue of RMB161.0 billion, representing a year-on-year increase of 8.3%, which was a new high for the same period in recent years. Profitability improved steadily with remarkable results in quality and efficiency enhancement. Profit attributable to equity shareholders of the Company reached RMB11.0 billion, representing a year-on-year increase of 19.5%. EBITDA reached RMB51.4 billion, representing a year-on-year increase of 3.9%. Seizing the development window period of the national “Eastern Data, Western Computing” project and “dual-gigabit” network construction, the Company moderately increased its investment and unswervingly improved its core competitiveness and sustainable development capabilities. In the first half of the year, capital expenditure reached RMB28.4 billion, representing a year-on-year increase of 98.5%.

The Company attaches great importance to shareholders’ return. After due consideration of the Company’s sound business development, the Board has resolved to declare an interim dividend of RMB0.165 per share, representing a year-on-year increase of 37.5%.

Mr. Liu Liehong, Chairman and CEO of China Unicom said, “The Company’s revenue grew rapidly. It significantly enhanced operating efficiency, continued to optimise growth structure, substantially strengthened network capabilities, and accelerated technological innovation transformation, taking a solid step towards high-quality development under the new paradigm. Looking ahead, China Unicom will continue to fully implement new development philosophies, contribute to the establishment of a new development landscape, and promote high-quality development. Focusing on the construction of ‘Cyber Superpower, Digital China, and Smart Society’, China Unicom will comprehensively promote the implementation of the ‘1 + 9 + 3’ strategic planning system, strengthen supply, stabilize growth, promote reform, facilitate development, prevent risks and ensure security, firmly bolstering the Company’s core strategic capabilities, so as to create greater value for shareholders, customers and the society.”

Dually driven by market and innovation, the integrated development of basic businesses reached a new level

The Company unswervingly promoted the transformation of basic businesses from a market-driven model to a model dually driven by market and innovation. It strived to achieve breakthroughs in the scale and value of basic businesses. In line with the “5G-oriented, gigabit-oriented and integrated” development trend in the industry, and riding on the opportunity of “dual-gigabit” network upgrade, the Company strived to create an integrated and group-based development model, enhanced the experience and stability of Big Connectivity subscribers, and built a sustainable growth foundation for basic businesses. The Company further optimised the product structure of basic businesses, strengthened the supply of 5G digital smart life and smart home application products, and launched new products and services such as 5G New Calling and elderly exclusive service, vigorously leveraging the differentiated advantages driven by product innovation to accumulate momentum for the innovative transformation of basic businesses. In the first half of the year, the Company achieved mobile service revenue of RMB84.9 billion, representing a year-on-year increase of 3.4%. The number of mobile billing subscribers reached 320 million. Within that, 5G package subscribers registered a net addition of 29.99 million, reaching a total of 184.92 million. The penetration rate of 5G package subscribers reached 58%, signifying further optimised subscriber structure. The Company’s fixed-line broadband business maintained the good momentum of rapid growth last year. In the first half of the year, the Company achieved broadband access revenue of RMB23.0 billion, representing a year-on-year increase of 4.3%. The number of broadband access subscribers recorded a net addition of 4.40 million, reaching a total of 99.44 million. The subscriber net addition reached a new high for the same period in the past 10 years.

Stepped up the driving force of innovation with Industry Internet becoming the “No. 1 driver” of business growth

The Company proactively embraces the blue ocean of digital economy development. Innovative businesses represented by Industry Internet are prospering, and our new value in the new era is gradually emerging. With respect to IDC business, the Company optimised the “5 + 4 + 31 + X” resource deployment, focused on the key areas such as Beijing-Tianjin-Hebei, Yangtze River Delta, Greater Bay Area, Sichuan-Chongqing, Shandong-Henan-Shaanxi, and improved the quality and utilisation of computing power services. The number of IDC cabinets increased by 19,000 as compared to the end of last year, reaching a total of 329,000. With respect to cloud business, the Company continued to enrich product categories with more than 300 self-developed products. Its cloud native capabilities were granted two authoritative accreditations, namely “Trusted Cloud Accreditation for Superior Container Cloud Cluster Performance” and “Zero Trust Security Accreditation”, by China Academy of Information and Communications Technology. It served the construction of a number of digital government affairs clouds and the digital transformation of central state-owned enterprises. In respect of the Internet of Things (IoT) business, the Company accelerated the ubiquitous interconnection of people, devices and things and adhered to a business-network synergetic strategy with 5G

as the driver. It enhanced proprietary Yanfei chip and module capabilities to promote the integration of industry components into scenarios and achieve breakthroughs. With respect to Big Data business, the Company leveraged its advantages in data governance and data security to develop a product portfolio focused on key areas such as digital government and digital finance. In the first half of the year, the Company's Industry Internet achieved revenue of RMB36.9 billion, representing an increase of 31.8% year-on-year. It contributed to over 70% of the Company's incremental revenue, becoming the real "No. 1 driver" of business growth. The revenue of "Unicom Cloud"⁴ more than doubled to RMB18.7 billion, representing a year-on-year increase of 143.2%. 5G applications increasingly transitioned from "show flats" to "commodity flats". In the first half of the year, the value of 5G industry applications contracts signed amounted to nearly RMB4 billion. There were more than 8,000 5G industry applications on a cumulative basis. IDC revenue reached RMB12.4 billion, up by 13.3% year-on-year. IoT revenue was RMB4.3 billion, representing a year-on-year increase of 44.1%. For Big Data business, the Company maintained its leading position in the telecom industry. In the first half of the year, Big Data revenue increased by 48.9% year-on-year to RMB1.9 billion.

Outstanding achievements in R&D of core technologies and steadily strengthened technological innovation capabilities

In recent years, the Company continuously achieved breakthroughs in the R&D of core technologies, and made internationally advanced and domestically leading achievements in key areas such as network security, computing power network and Big Data applications. Based on a fully integrated digital system, the Company comprehensively promoted the capability generation model of "one China Unicom with integrated capabilities and operating services". The Company newly established ten armies in nine industries and eight Industry Internet companies. It fully combined the systematic professional capabilities of 17 professional subsidiaries and 19 Industry Internet companies with the national four-tier operational system comprising the headquarters, provinces, cities, counties and villages to provide customers with integrated solutions and operating services. In the first half of 2022, the proportion of technological innovation talents reached 26%. The Company was granted 780 patents, representing a year-on-year increase of 27%.

Network co-build co-share continued to deepen and operational efficiency improved steadily

The Company continued to work closely with China Telecom and added 180,000 new 5G base stations, with the two parties' total number of 5G base stations reaching 870,000. Indoor coverage was significantly enhanced. The two companies added 90,000 new 5G distributed antenna systems (DAS), bringing the total number of 5G DASs to 200,000. The two companies have built the world's largest co-built and co-shared 5G network. The Company accelerated the promotion of a single 4G network with China Telecom and made further breakthroughs in

⁴ Unicom Cloud revenue includes revenue of cloud resources, cloud platform, cloud service, cloud integration, cloud interconnection, cloud security, etc. generated from integrated innovative solutions.

the scale of 4G network sharing. In the first half of the year, 210,000 new shared 4G base stations were added, and the total number of shared 4G base stations reached 870,000. Through the co-build co-share of 4G/5G networks, the Company actively supported the goals of “carbon peaking and carbon neutrality”. Cumulative carbon dioxide emission savings exceeded 6 million tonnes and cumulative capital expenditure savings for both parties combined amounted to RMB240 billion. In addition, RMB25.5 billion of operating expenses can be saved each year.

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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.

For media enquiries, please contact:
China Unicom (Hong Kong) Limited
Investor Relations Department
Mr. Billy Tang/ Ms. Wendy Tse
Tel: (852) 2121 3275/ (852) 2121 3206
Email: billy@chinaunicom.com.hk/ wendy@chinaunicom.com.hk