

China Unicom Showed Steady Growth in 9M22 Digital Economy Service Capability and Network Service Were Significantly Enhanced

After market close in the evening of 28 October, China Unicom (Hong Kong) Limited announced its results for the first three quarters of 2022.

In the first three quarters of 2022, under the guidance of the “1 + 9 + 3” strategic planning system, the Company actively integrated into the development of the digital economy and achieved remarkable results in expanding into new racetracks. It achieved steady growth in revenue and profit while making steady progress in the five main businesses. Network quality was improved substantially, customer service continued to be enhanced, and management efficiency was further boosted, laying a solid foundation for the Company’s robust growth for the full year.

In the first three quarters of 2022, the Company’s operating revenue amounted to RMB 263.98 billion, up by 8.0% year-on-year. Service revenue amounted to RMB 239.65 billion, up by 7.8% year-on-year. The profit attributable to the equity shareholders of the Company amounted to RMB 15.67 billion, up by 21.2% year-on-year. The absolute amounts of both operating revenue and profit attributable to equity shareholders of the Company reached record highs for the same period since the Company’s listing. EBITDA amounted to RMB 76.74 billion, up by 1.9% year-on-year.

In the first three quarters of 2022, the Company fully implemented its new strategy, adhered to the two-wheel drive of market and innovation, and steered at full strength on the main channel of digital economy, achieving substantial progress in various aspects such as network capabilities, scale of connectivity, product innovation and service quality.

Moderately stepped up strategic investment to significantly improve network capabilities. Facing the window of the State’s “Eastern Data and Western Computing” project and “dual gigabit” network construction, the Company focused on the construction of “four quality networks” and adhered to a “precise and active” investment strategy by “appropriately bringing forward investment and aligning construction with network use”, striving to enhance its core competitiveness, sustainable development capability and value creation capability. **In terms of 5G/4G quality network construction**, overall coverage was in line with the industry, with leading positions in some regions and significant improvement in rural coverage. **In terms of gigabit broadband quality network construction**, the network deployment progress was in line with the industry, and the scale of broadband access in the south increased significantly, which strongly promoted the rapid growth of broadband subscribers and revenue. **In terms of the construction of quality networks for government and enterprise customers**, the coverage and connectivity

capabilities were continuously improved, and the Company continued to build a differentiated network advantage for government and enterprise customers. The Company was awarded the “5G Private Network Industry Leadership Award” at the 19th 5G World Summit of Informa Tech for its outstanding achievements in leading the 5G private network industry standards, technological capability innovation and scale industrial applications. **In terms of computing power quality network construction**, the Company continued to improve the “5 + 4 + 31 + X” computing power deployment, and aimed to build an integrated computing power network ecosystem with advanced architecture, security and reliability and excellent services. The average latency of its domestic network continued to lead the industry for 79 consecutive months.

Product innovation accelerated and the scale of connectivity reached a new high.

The Company seized the “dual-gigabit” strategic opportunities of 5G and broadband, and continued to promote the new leap from “basic connectivity” to “Internet of Everything”. The Company deepened the new model of “platform + cloud-network + X” for sub-markets, accelerated the upgrade of key platforms and products such as digital village and integrated video. Insisting on a 5G-driven approach, it continued to deepen and optimise business integration, market consolidation and smart capability upgrade, so as to continuously enhance the efficiency and effectiveness of operational service system. It continuously strengthened supply of smart digital life and smart home applications, and won the "Best Digital Home Operator of the Year" Award by the Broadband World Forum (BBWF) in 2022. The Company continued to improve the customer experience of products which had millions of users such as video ringtones, Unicom Assistant and Unicom Drive and launched new 5G New Calling product series, making initial progress in the scale and value enhancement of innovative applications. The number of “Big Connectivity” subscribers reached another record high at 840 million. Of which, the number of 5G package subscribers reached 200 million, driving the Company’s mobile service revenue to rise by 3.3% year-on-year to RMB 127.36 billion. Fixed-line broadband access revenue grew by 3.9% year-on-year to RMB 34.64 billion. 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. The scale of connectivity continued to expand with the number of IoT terminal connections reaching 370 million. IoT revenue reached RMB 6.17 billion, up by 35.6% year-on-year.

The Company actively embraced the digital economy and its growth transformation continued to accelerate. Since the beginning of this year, the Company saw a significant shift from old to new growth drivers. Innovative businesses represented by the Industry Internet are thriving. The Company’s new value in the new era accelerated to emerge. In the first three quarters of 2022, the Company’s industry internet business

achieved revenue of RMB 53.15 billion, up 29.9% year-on-year and accounting for 22.2% of service revenue. Its revenue structure continued to be optimised. Focusing on the key areas such as Beijing-Tianjin-Hebei, Yangtze River Delta, Greater Bay Area, Sichuan-Chongqing, Shandong-Henan-Shaanxi, the Company improved the quality and utilisation of computing power services. It continued to enrich cloud product categories and served the construction of a number of digital government affairs clouds and the digital transformation of central state-owned enterprises. Unicom Cloud's growth accelerated with revenue reaching RMB 26.87 billion, up by 142% year-on-year. IDC revenue reached RMB 18.61 billion, up by 12.9% year-on-year. 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. Big Data revenue reached RMB 2.77 billion, up by 56.3% year-on-year. 5G applications accelerated the transition from "show flats" to "commodity flats", with the number of customers served by virtual 5G private network reaching 2,785. It successfully built benchmark projects in many areas related to people's livelihood such as 5G + textile manufacturing, 5G + Internet of Vehicles, 5G + smart medical care, and further built up digital customised service capabilities to create value for customers.

The Company attaches great importance to customer perception and service quality continued to improve. Adhering to the customer-centric principle, the Company solved the pressing problems faced by customers, accelerated the construction of a big service system, and built the core competitiveness of high-quality services. The Company built a customer service operation platform, and relied on intelligent means to build a full-scenario broadband self-service system with online troubleshooting, one-click diagnosis, and transparent inquiries. It developed an edge in smart customer service and integrated operation of service hotline, with a satisfactory resolution ratio of customer cases by smart customer service of over 98%.

In the future, China Unicom will resolutely strengthen the responsibility of building Cyber Superpower and Digital China, 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, stabilise 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, and contribute China Unicom's strength to the new journey of comprehensively promoting the great revitalisation of the Chinese nation with Chinese modernisation.

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