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## **Profit Alert**

This announcement is made by China Unicom (Hong Kong) Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In the first three quarters of 2017, the Group comprehensively deepened the implementation of Focus Strategy and centred on scale and profitable development through growth promotion, cost control and mechanism reform. Overall development momentum remained robust. Innovation in business model posted initial success, and underpinned revenue and profit growth. The Group transformed the development model of its mobile service by stepping up online sales efforts via 2I2C, 2B2C, etc. in order to enhance the quality of new subscribers. With a low customer acquisition cost and subsidies model, the Group's mobile service growth accelerated. In the first three quarters of 2017, the Group's mobile billing subscribers registered a net addition of 13.04 million, reaching a total of 277 million. Within that, 4G subscribers registered a net addition of 55.73 million, reaching a total of 160 million. For the single month of September, the net additions of mobile billing subscribers and 4G subscribers both reached record high of this year, standing at 3.82 million and 7.56 million respectively. In the first three quarters of 2017, mobile service revenue is expected to be approximately RMB 117.0 billion, up by about 6.7% year-on-year, which showed continuous improvement from the 5.2% increase year-on-year in the first half of this year. Overall service revenue is expected to be approximately RMB 187.9 billion<sup>1</sup>, up by about 4.1% year-on-year, which showed continuous improvement from the 3.2% increase year-on-year in the first half of this year. In the first three quarters of 2017, the profit attributable to the equity shareholders of the Company is expected to be approximately RMB 4.1 billion, up significantly by about 155% year-on-year, mainly due to robust service revenue growth and lower selling and marketing expenses and handset subsidies.

Given that the Group ceased to charge mobile domestic long-distance and roaming fees from 1 September 2017, and market competition is expected to intensify cyclically, the Group expects that its financial performance will face increasing pressure in the fourth quarter of this year. Going forward,

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<sup>1</sup> In order to better satisfy the internal operation and management requirements, revenue from sales of products associated with the ICT business, which was previously recorded as part of the fixed-line service revenue, has been reclassified as part of the revenue from sales of telecommunications products. The related figures for the first three quarters of 2016 have also been restated.

the Group will actively address challenges, continue to deepen Focus Strategy and earnestly capitalise on the implementation of mixed-ownership reform to raise efficiency and returns.

### **Caution Statement**

The Board wishes to remind shareholders and investors in the Company that the above estimated financial data are based on the preliminary assessment made by the management of the Company with reference to the information currently available and the unaudited management accounts of the Group, and have not been reviewed or audited by the auditors of the Company. Information to be disclosed in the announcement of the Company's key financial and performance indicators for the first three quarters of 2017 on 27 October 2017 shall prevail. The Company's shareholders and investors are cautioned not to unduly rely on the above 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**  
**Yung Shun Loy Jacky**  
*Company Secretary*

Hong Kong, 19 October 2017

*Certain statements contained in this announcement may be viewed as "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934 (as amended). 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. Further information regarding these risks, uncertainties and other factors is included in the Company's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") and in the Company's other filings with the SEC.*

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

Executive directors:	Wang Xiaochu, Lu Yimin, Li Fushen and Shao Guanglu
Non-executive director:	Cesareo Alierta Izuel
Independent non-executive directors:	Cheung Wing Lam Linus, Wong Wai Ming, Chung Shui Ming Timpson, and Law Fan Chiu Fun Fanny