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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 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 delivered significant benefits, and underpinned healthy business growth. The Group transformed the development model of its mobile service by stepping up online sales efforts via 2I2C, 2B2C, etc. to enhance the quality of new subscribers. With a low-cost and subsidy-light customer acquisition model, the Group achieved faster development of mobile service. In 2017, the Group's mobile billing subscribers registered a net addition of 20.34 million, reaching a total of 284 million. Within that, 4G subscribers registered a net addition of 70.33 million, reaching a total of 175 million. Overall service revenue is expected to be approximately RMB 249.0 billion¹, up by about 4.6% versus 2016.

In 2017, the Group's profit before income tax is expected to be approximately RMB 2.59 billion, up by about 231% versus 2016. The profit attributable to the equity shareholders of the Company is expected to be approximately RMB 1.83 billion, up by about 193% versus 2016. Net loss on asset disposal of approximately RMB 2.9 billion related to optical fibre network upgrade projects has been charged in both the profit before income tax and profit attributable to the equity shareholders of the Company in 2017. The net loss on asset disposal has no impact on the Group's cash flows. If the net loss on asset disposal related to optical fibre network upgrade projects in 2017 was excluded, the Group's profit before income tax would be expected to be approximately RMB 5.49 billion in 2017, up significantly by about 601% versus 2016 while the profit attributable to the equity shareholders of the Company would be expected to be approximately RMB 4.0 billion, up significantly by about 541% versus 2016 mainly benefitting from robust service revenue growth and lower selling and marketing expenses and handset subsidies.

¹ 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 2016 have also been restated.

Going forward, the Group will continue to deepen the strategy of Focus, Innovation and Cooperation, fully accelerate Internet-oriented operation and forcefully push ahead in-depth synergetic business cooperation with strategic investors to speed up the improvement of innovative capability and upgrade of development power. At the same time, the Group will enhance corporate governance and incentive systems on a market-oriented basis to lift vibrancy, 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 2017 annual results in March 2018 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, 1 March 2018

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