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Business and profit update

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 2019, facing "Speed Upgrade and Tariff Reduction" policy and the new challenges in industry development, the Group actively implemented the new development philosophy with deepened execution of the Strategy of Focus, Innovation and Cooperation and accelerated transformation of the Internet-oriented operation. It also strengthened the implementation of mixed-ownership reform. Innovative businesses maintained strong growth momentum, supporting the largely stable overall service revenue of the Group. Among which, the Group's mobile service revenue in 2019 is expected to decline as compared with 2018 due to the impact of "Speed Upgrade and Tariff Reduction" policy, market saturation, keen market competition and diminishing 4G data bonus, but the rate of decline is expected to narrow from -6.1% in the first three quarters of 2019. Driven by the rapid growth of innovative businesses, the Group's fixed-line service revenue in 2019 is expected to maintain decent growth. It is expected that the Group's overall service revenue for the full year of 2019 would be steady with slight rebound. Benefitting from effective cost control, the profit attributable to the equity shareholders of the Company in 2019 is expected to be approximately RMB11.3 billion, up by about 10.8% versus 2018, despite "Speed Upgrade and Tariff Reduction" policy and the headwinds and challenges in mobile business development.

Going forward, the Group will brave the challenges and adhere to the new development philosophy. It will stay determined in the strategy and enhance its corporate governance capability to drive high-quality development. The Group will persevere in deepening its transformation of the Internet-oriented operation and continue to enhance customer perception, operating efficiency and differentiated competitive advantages. It will proactively counter the challenges brought by mobile number portability, and strive to stabilise its fundamental business. It will expand the scale of its innovative businesses and will fully leverage the advantages from cooperation on 5G network co-build co-share to make solid progress in 5G service innovation. The Group will continue to enhance its business and capital cooperation with strategic investors, and seek to deepen and broaden its

innovative reforms in various aspects, with consistent effort to enhance inherent corporate vibrancy and operating efficiency for greater shareholders' value.

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 2019 annual results in March 2020 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, 22 January 2020

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 and other filings with the U.S. Securities and Exchange Commission.

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

Executive directors:	Wang Xiaochu, Li Guohua, Li Fushen and Zhu Kebing
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