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CHINA UNICOM (HONG KONG) LIMITED
中國聯合網絡通信(香港)股份有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 762)

**CHANGES IN ACCOUNTING ESTIMATES
AND 2022 OPERATING CONDITION**

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).

1. Overview of changes in accounting estimates

In view of the high decommissioning cost and low recycling value of the optical cable assets, based on the prudence principle and with reference to the practices of peer operators, in order to more accurately and appropriately reflect the condition of the Company's fixed assets and align the expected net residual value of fixed assets with the actual circumstances, while effectively reducing the risk of future asset disposal and facilitating the sustainable and high-quality development of the Company, the Company changed the expected net residual value rate of the optical cable assets from 3% to 0%. The accounting estimates would be more robust after the change. The changes in accounting estimates is also in compliance with the relevant requirements of the Hong Kong Financial Reporting Standards and in the interests of the Company and its shareholders as a whole.

2. Expected impact of changes in accounting estimates on the current and future periods

The Company changed the expected net residual value rate of the optical cable assets from 3% to 0% with effect from 1 December 2022. The accounting estimates would be more robust after the change. The changes in accounting estimates are accounted for prospectively without retrospective adjustment. Therefore, such changes will not have any impact on the Group's disclosed financial statements. According to the Company's estimates, the changes in accounting estimates are expected to increase the depreciation expenses of fixed assets by approximately RMB 2.35 billion for the full year of 2022 and impact the profit attributable to equity shareholders of the Company for 2022 by RMB 1.76 billion. The impact of the changes in accounting estimates on the depreciation expenses of fixed assets will diminish year by year and thus will have no significant impact on profit or loss in future years. The above expected impact on the depreciation expenses and profit attributable to equity shareholders of the Company for 2022 arising from the changes in accounting estimates is only a preliminary assessment by the Company based on the information currently available, and has not been audited by the Company's auditor. The Company's auditor, Deloitte Touche Tohmatsu, will audit the consolidated financial statements of the Group for 2022 which include these changes in accounting estimates when it performs financial statement audit for 2022.

3. 2022 Operating Condition

2022 marked the commencement of the Company's full implementation of its new strategic plan. In the past year, the Company faced the impact of multiple unexpected factors. Under the strategic guidance of "strengthen and solidify, preserve and innovate, integrate and open", the Company vigorously developed its five main responsibilities and main businesses namely "Big Connectivity, Big Computing, Big Data, Big Application and Big Security". The Company steadily promoted the effective implementation of the "1 + 9 + 3" strategic planning system and achieved a good start during the first year of the full implementation of its new strategy. In the past year, the Company's overall business achieved remarkable results as its development quality, efficiency and momentum continued to improve, showing a high-quality development momentum with a favourable trend, optimised structure, boosted energy and higher efficiency. The Group preliminarily estimates that the year-on-year growth rate of profit attributable to equity shareholders of the Company for 2022 will still reach a three-year high after considering the impact of the changes in accounting estimates.

In the future, the Company will adhere to the general working principle of making progress while maintaining stability, implement the new development philosophy in a complete, accurate and comprehensive manner, and serve the faster construction of a new development paradigm. The Company will focus on improving core competitiveness and enhancing core functions, and accelerate the construction of a world-class enterprise, so as to make new achievements in high-quality development with new morale and initiatives, and contribute Unicom power to Chinese-style modernisation with digital, network-based and intelligent transformation.

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 2022 annual results in March 2023 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
LIU LIEHONG
Chairman and Chief Executive Officer

Hong Kong, 18 January 2023

Forward-looking Statements

Certain statements contained in this announcement 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.

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

Executive Directors: Liu Liehong, Chen Zhongyue, Wang Junzhi and Li Yuzhuo

Independent Non-executive Directors: Cheung Wing Lam Linus, Wong Wai Ming, Chung Shui Ming Timpson and Law Fan Chiu Fun Fanny