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## **Key Financial and Performance Indicators 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 Group 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 Group’s robust growth for the full year.

The key unaudited financial data in the first three quarters of 2022 are as follows:

- Operating revenue amounted to RMB 263,978 million, up by 8.0% year-on-year.
- Service revenue amounted to RMB 239,654 million, up by 7.8% year-on-year.
- Industry Internet revenue amounted to RMB 53,150 million, up by 29.9% year-on-year.
- EBITDA<sup>1</sup> amounted to RMB 76,735 million, up by 1.9% year-on-year.
- The profit attributable to the equity shareholders of the Company amounted to RMB 15,667 million, up by 21.2% year-on-year.

To enable shareholders, investors and the general public to better appraise the operational performance of the Group, the board of directors (the "Board") of China Unicom (Hong Kong) Limited (the "Company", together with its subsidiaries, the "Group") announces certain selected unaudited key financial and performance indicators of the Group for the first three quarters of 2022.

**Financial Data (Extracted from financial records prepared in accordance with Hong Kong Financial Reporting Standards)**

Unit: RMB millions

	<b>For the nine months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
Service revenue	239,654	222,384
Sales of telecommunications products	24,324	22,105
<b>Operating revenue</b>	<b>263,978</b>	<b>244,489</b>
Interconnection charges	(8,154)	(8,044)
Depreciation and amortisation	(63,691)	(64,502)
Network, operation and support expenses	(40,924)	(38,582)
Employee benefit expenses	(47,794)	(45,278)
Costs of telecommunications products sold	(23,528)	(21,403)
Selling and marketing expenses	(24,717)	(23,136)
General, administrative and other operating expenses	(42,126)	(32,709)
Finance costs	(773)	(898)
Interest income	1,248	754
Share of net profit of associates	1,539	1,382
Share of net profit of joint ventures	1,306	1,020
Other income – net	2,937	2,791
<b>Profit before income tax</b>	<b>19,301</b>	<b>15,884</b>
Income tax expenses	(3,579)	(2,893)
<b>Profit for the period</b>	<b>15,722</b>	<b>12,991</b>
<b>Profit attributable to:</b>		
Equity shareholders of the Company	15,667	12,923
Non-controlling interests	55	68
	<b>As at</b>	<b>As at</b>
	<b>30 September 2022</b>	<b>31 December 2021</b>
Total assets	614,850	591,076
Total liabilities	273,465	257,643
<b>Total equity</b>	<b>341,385</b>	<b>333,433</b>

In the first three quarters of 2022, under the guidance of the “1 + 9 + 3” strategic planning system, the Group 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 Group’s robust growth for the full year.

In the first three quarters of 2022, the Group’s operating revenue amounted to RMB 263,978 million, up by 8.0% year-on-year. Service revenue amounted to RMB 239,654 million, up by 7.8% year-on-year. The profit attributable to the equity shareholders of the Company amounted to RMB 15,667 million, 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. The Group’s revenue structure continued to be optimised with Industry Internet revenue reaching RMB 53,150 million, up significantly by 29.9% year-on-year and accounting for 22.2% of service revenue. EBITDA<sup>1</sup> amounted to RMB 76,735 million, up by 1.9% year-on-year.

In the first three quarters of 2022, the Group fully implemented its new strategy and adhered to the two-wheel drive of market and innovation. It focused on the five main responsibilities and main businesses of “Big Connectivity, Big Computing, Big Data, Big Application and Big Security”, steering at full strength on the main channel of digital economy.

In “Big Connectivity”, seizing the “dual-gigabit” strategic opportunities of 5G and broadband, the Group made every effort to promote the construction of high-quality 5G network and gigabit fibre broadband network, and continuously promoted the new leap from “basic connectivity” to “Internet of Everything”. The Group 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, achieve scale and value enhancement and unveil a new paradigm of high-quality development. The number of “Big Connectivity” subscribers<sup>2</sup> reached another record high at 842 million. Of which, the number of 5G package subscribers reached 201 million, driving the Group’s mobile service revenue to rise by 3.3% year-on-year to RMB 127,356 million. Fixed-line broadband access revenue grew by 3.9% year-on-year to RMB 34,642 million. The Group 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 366 million. IoT revenue reached RMB 6,168 million, up by 35.6% year-on-year.

In “Big Computing”, the Group optimised the “5 + 4 + 31 + X” resource deployment, focused on the key areas such as Beijing-Tianjin-Hebei, Yangtze River Delta, Greater Bay Area, Sichuan-Chongqing, Shandong-Henan-Shaanxi, and 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<sup>3</sup> reaching RMB 26,870 million, up by 142.0% year-on-year. IDC revenue reached RMB 18,613 million, up by 12.9% year-on-year.

In "Big Data", the Group 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 2,773 million, up by 56.3% year-on-year.

In "Big Application", for personal and household market, the Group continuously created new supply of smart digital life and smart home applications, strengthened 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. For government and enterprise market, the Group continued to strengthen its six core capabilities in "cloud computing, Big Data, IoT, AI, blockchain and security" and enrich self-developed product categories, further building up its customised digital service capabilities to create value for customers. It fully combined the systematic professional capabilities of 17 professional subsidiaries and 19 industry Internet companies with the national four-tier operational system comprising the headquarters, provinces, cities, counties and villages to create an advantage of integrated capabilities.

In "Big Security", the Group cooperated with leading enterprises in the fields of basic software and hardware, generic security, 5G security, IoT security, industrial Internet security, etc. to drive collective R&D and system integration in the value chain, fully meeting the security needs of digital government, digital economy and digital society.

In the first three quarters of 2022, network, operation and support expenses increased by 6.1% year-on-year mainly due to the expansion of the Group's network and related infrastructure. The Group continued to deepen the reform of incentive systems and strengthen performance-linked incentives while at the same time stepping up recruitment of innovative talents to boost new energy for innovative development. Employee benefit expenses increased by 5.6% year-on-year. The Group appropriately increased selling and marketing expenses to enhance competitiveness. Selling and marketing expenses increased by 6.8% year-on-year which was slower than the service revenue growth. General, administrative and other operating expenses increased by 28.8% year-on-year mainly because the Group appropriately increased spending on ICT services and technical support to enhance fundamental capabilities and drive the sustainable and rapid growth of Industry Internet revenue.

The year 2022 marks the commencement of China Unicom's full implementation of its new strategic plan. China Unicom will 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 Group's core strategic capabilities, so as to create greater value for shareholders, customers and the society.

## Caution Statement

The Board wishes to remind shareholders of the Company and investors that the above financial and business data are based on the Group's internal records and management accounts and have not been reviewed or audited by the auditors. The Company's shareholders and investors are cautioned not to unduly rely on such 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, 28 October 2022

### Notes:

1. EBITDA represents profit for the period before finance costs, interest income, share of net profit of associates, share of net profit of joint ventures, other income-net, income tax expenses, depreciation and amortisation. As the telecommunications business is a capital intensive industry, capital expenditure and finance costs may have a significant impact on the net profit of the companies with similar operating results. Therefore, the Company believes that EBITDA may be helpful in analysing the operating results of a telecommunications service operator like the Company. However, it is a non-GAAP financial measure which does not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies.
2. Number of "Big Connectivity" subscribers = number of mobile billing subscribers + number of fixed-line broadband subscribers + number of fixed-line local access subscribers + number of Internet-of-things terminal connections + number of networking leased line subscribers.
3. Unicom Cloud revenue includes revenue of cloud resources, cloud platform, cloud service, cloud integration, cloud interconnection, cloud security, etc. generated from integrated innovative solutions.

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