

# 2024 Interim Results

15 August 2024

# Forward-Looking Statements

Certain statements contained in this presentation 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.



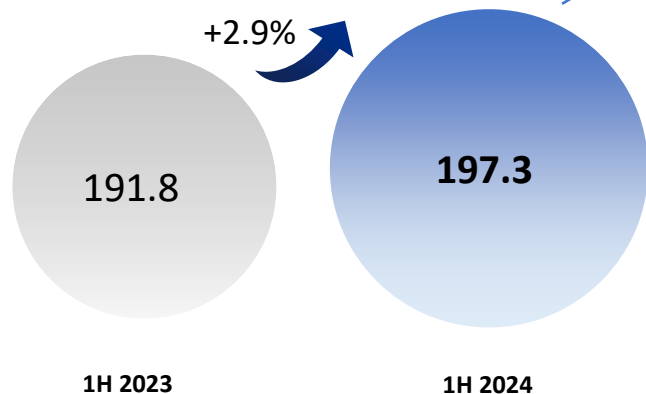
# Overall Results

# Steady Progress in Business Development

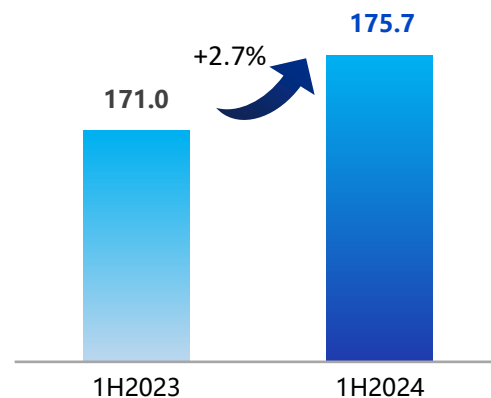


## Steady growth in revenue scale

Operating revenue  
(RMB bil)

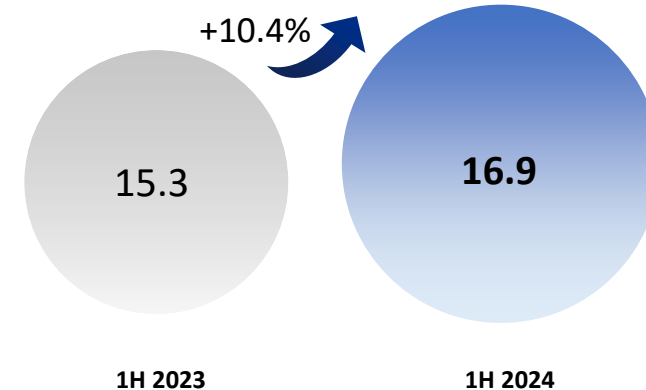


Service revenue  
(RMB bil)



## Continuous improvement in profitability

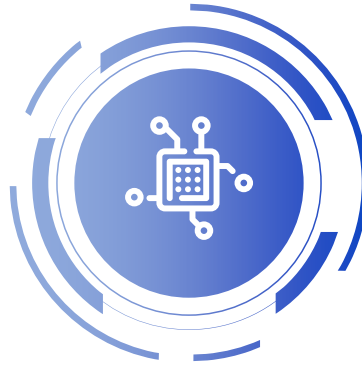
Profit before tax  
(RMB bil)



# Promoting “Three Innovations”



**Network  
Innovation**



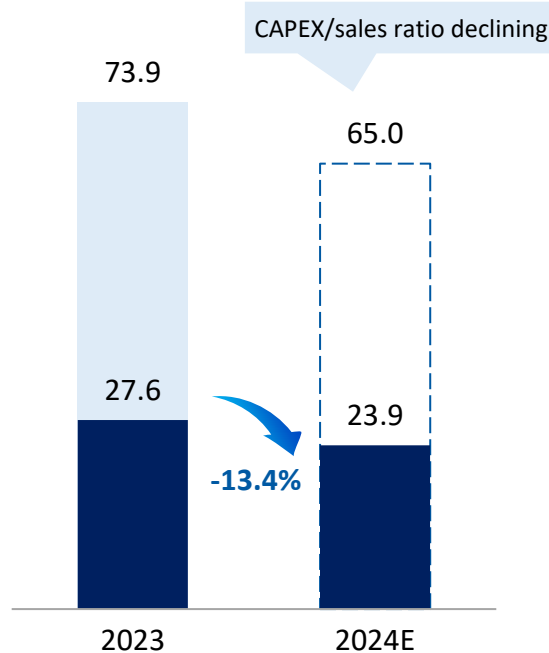
**Technology  
Innovation**



**Service  
Innovation**

● Network Innovation    ● Technology Innovation    ● Service Innovation

## CAPEX (RMB bil)



■ 1H



## Connectivity network

### Mobile network

- Over **1.31 mil** 5G mid-band BTS, **780k** low-band BTS, and over **2 mil** 4G mid-band BTS
- >100 cities** achieved commercial deployment of key 5G-A technologies such as RedCap and carrier aggregation

### Broadband network

- Promoted the penetration and enhancement of gigabit networks: the proportion of 10GPON ports reached 79%, **leading the industry**
- Launched a 50GPON pilot project to support the construction of **10-gigabit cities**



## Computing network

- Total intelligent computing power reached **10 EFLOPS**, general computing power **increased rapidly**
- Built **intelligent computing centres with >10,000 AI accelerators** in Shanghai and Hohhot
- 29** large-scale computing center parks, fully covering the hubs and nodes in Eastern Data and Western Computing
- Accelerated the construction of the "**New Eight Vertical and Eight Horizontal**" national backbone network



## Data network

**>100k**

**Unicom Chain's TPS<sup>1</sup>**  
**The top five in the industry**

- Leveraged the advantages of ubiquitous access and used its carrier network capability with flexible bandwidth from 10M to 400G to create a data service network for data circulation applications that features elastic bandwidth, ultra-low latency, flexible networking, and task-oriented transmission



● Network Innovation ● **Technology Innovation** ● Service Innovation



**First Prize in National Science and Technology Progress<sup>1</sup>**



**↑13%**  
R&D investment



## Network

### Long-distance lossless transmission

- Industry's first 3000-kilometer wide-area lossless transmission, enabling the transfer of terabytes of data in minutes

### Computing Power AI Network (AINet)

- A 400G all-optical intelligent computing network supporting 800G upgrades, constructing an intelligent computing network scheduling platform

### 5G-A/6G

- Promoted the evolution of technologies as well as network capability enhancement, built tech demos for passive IoT & integrated sensing and communication, and deployed for new growth drivers such as air-ground integration and low-altitude intelligent networks



## Data

### High-quality dataset

- Launched AI DATA, a multi-modal high-quality shared dataset for AI

### Empowering data factor circulation

- Introduced the "Trusted Data Resource Space" platform to provide a trusted infrastructure for the circulation and utilisation of data factors



## Intelligence

### UniAI 2.0

**1+1+M<sup>2</sup>**

AI deployment

**204bil**

Model parameters

**35+**

Industry-specific large models

Note

1. China Unicom participated in the "Key Technologies and Engineering Applications of the Fifth Generation Mobile Communication System (5G)" project

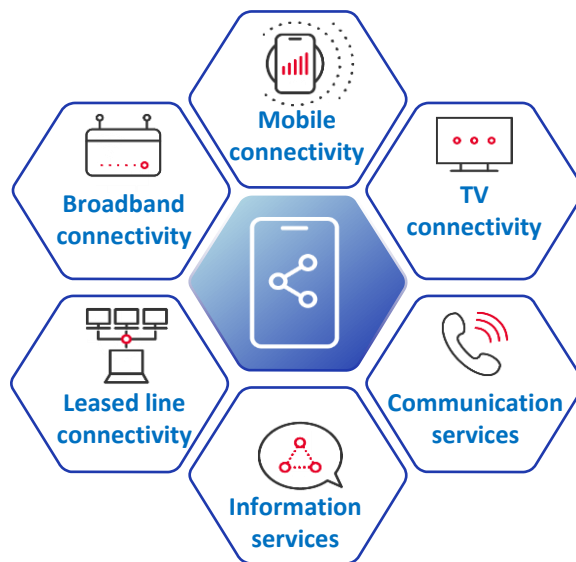
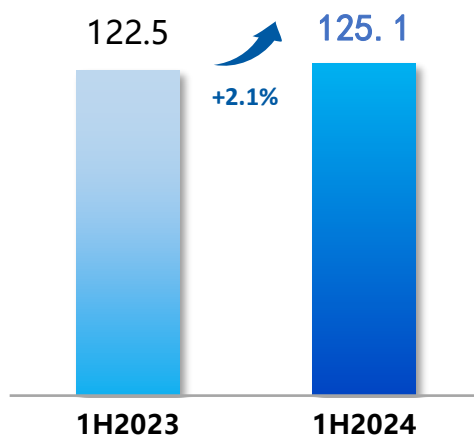
2. "1+1+M" refers to one set of foundation large models, one large model platform, and M industry-specific large models

● Network Innovation    ● Technology Innovation    ● Service Innovation



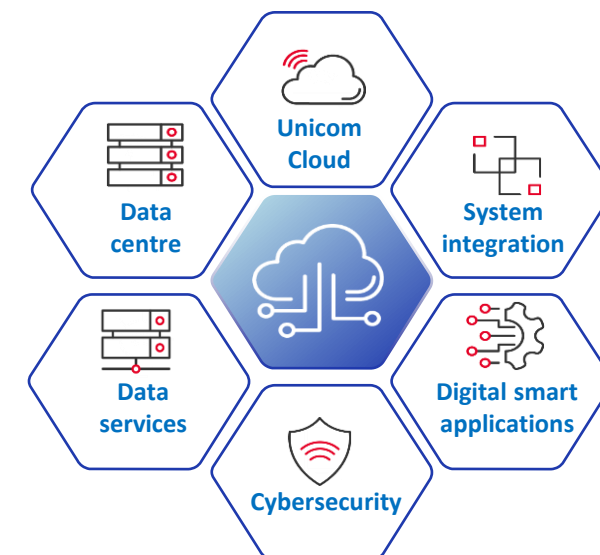
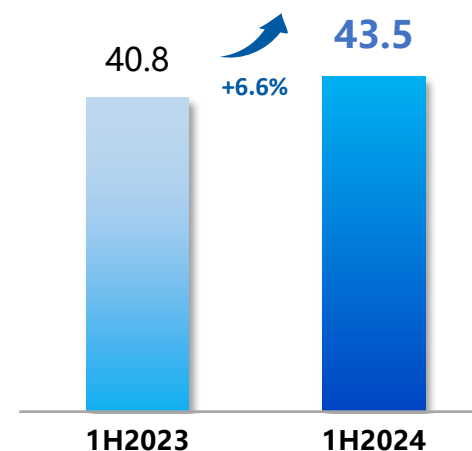
## Connectivity and Communications (CC)

CC<sup>1</sup> revenue  
(RMB bil)



## Computing and Digital Smart Applications (CDSA)

CDSA<sup>2</sup> revenue  
(RMB bil)



Notes:

1. Connectivity and Communications (CC) includes mobile connectivity, broadband connectivity, TV connectivity, leased line connectivity, communication services, and information services
2. Computing and Digital Smart Applications (CDSA) includes Unicom Cloud, data centre, system integration, data services, digital smart applications, and cybersecurity



# Achieving Dual Growth in Scale and Value

● Network Innovation   ● Technology Innovation   ● Service Innovation - CC



## Breakthrough in scale

Connectivity scale<sup>1</sup> surpassed a billion for the first time

**1.07** bil  
↑ 77.30mil

### Mobile subscribers

**339** mil  
↑ 6.09 mil

### IoT connections

**562** mil  
↑ 68.47 mil

### Fixed-line broadband subscribers

**117** mil  
↑ 3.52 mil

### Broadband-mobile integrated subscribers

**>80** mil  
↑ 1.82 mil

### 5G package subscribers penetration

**>80%**

5G package subscribers reached ~280 mil

### Gigabit broadband subscriber penetration rate

**25%**  
↑ 6.2pp YoY



## Value retention

Integrated value exceeded RMB 100

Integrated package ARPU  
**RMB 103**

Notes:

1. Connectivity scale = aggregate number of subscribers = aggregate number of mobile billing subscribers + aggregate number of fixed-line broadband subscribers + aggregate number of fixed-line local access subscribers + aggregate number of Internet-of-things terminal connections + aggregate number of networking leased line subscribers.

# Expanding New Scenarios and Creating New Value Through New Integration

● Network Innovation   ● Technology Innovation   ● Service Innovation - CC



## Business integration

**Continuous enhancement** in scale & value of integration

**76%**

Integration penetration rate **↑1.5pp**

**85%**

Integration penetration of new subscribers **↑2pp**



## Product integration

Developed N products with over **RMB 1 billion** in revenue



Unicom Cloud Drive

Registered users **170 mil**



Video Ringtone

Registered users **280 mil**

**Industry leading** in FTTR scale



FTTR

Paying Subscribers **>9 mil**

Intelligent enterprise full optical networking

Nearly **300k** No. of small and medium-sized enterprises served



## Terminal integration

**Rapid breakthrough** in terminal sales

**>25mil**

Cumulative terminal sales volume

**↑ 4.3%**

Revenue from the sales of telecommunication products in 1H 2024

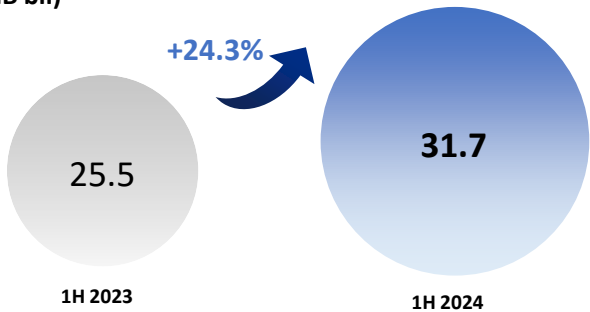
- Strengthened terminal operation and financial empowerment, significantly increased in terminal sales and the adoption rate of Unicom SIM cards.

# Rapid Growth in Computing Power Business



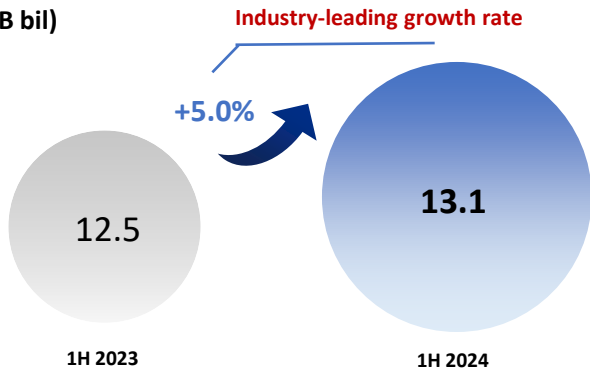
- Network Innovation
- Technology Innovation
- Service Innovation - CDSA

Unicom Cloud<sup>1</sup> revenue (RMB bil)



Commenced the digital and intelligent upgrade of data centres to drive the rapid growth of AIDC business

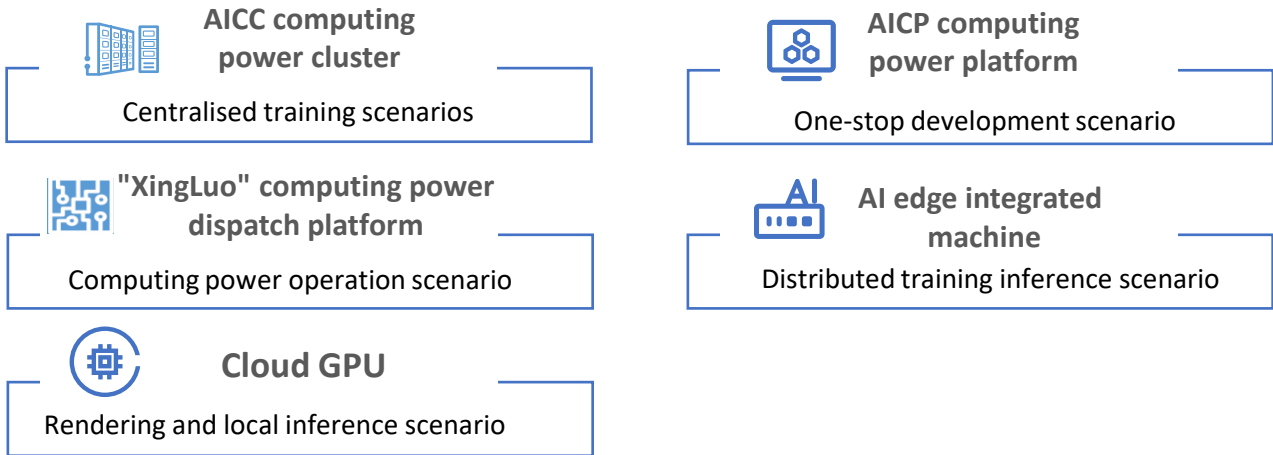
Data centre revenue (RMB bil)



## Empowering the digital transformation of the economy and society

Ministerial clouds	Provincial government affairs clouds	Medium to large enterprise clouds	Medical clouds
20	22	100+	2,000+

## Enriching the intelligent computing product system




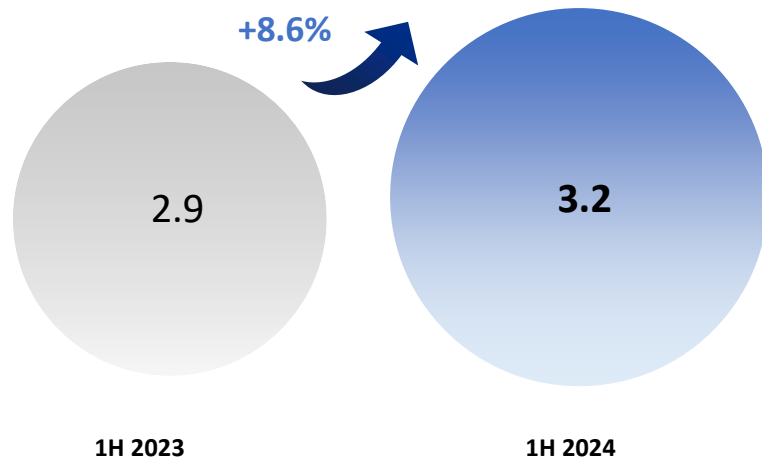
Note:  
1. Unicom Cloud revenue represents revenue generated from cloud resources, cloud platform, cloud services, cloud integration, cloud interconnection, cloud security, etc. by integrating innovative solutions



# Industry-Leading Data Services

● Network Innovation   ● Technology Innovation   ● Service Innovation - CDSA

 **Data services revenue**  
(RMB bil)



## Achieving multiplier effect of data factors



Serving government affairs big data platforms

**11**provinces **24**cities



Building economic operation platforms

**19**provinces **18** cities

## Participating in the market-oriented reform of data factors

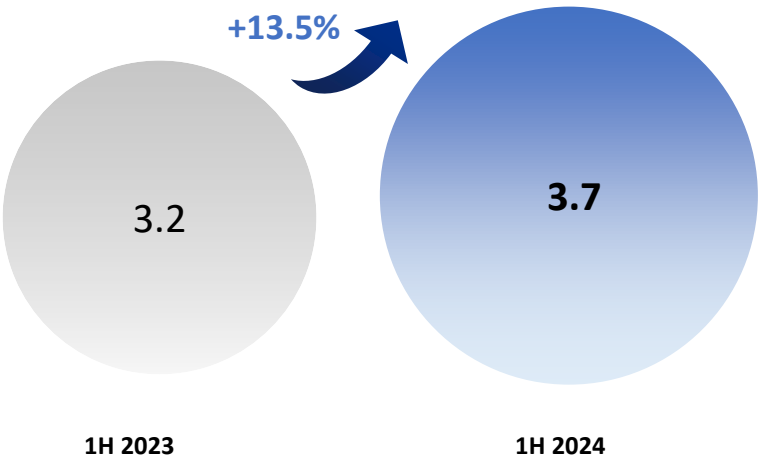
- **Building data infrastructure:** released Trusted Data Resource Space and Unicom Data Network
- **Delegated operation of public data:** cooperated with local data exchanges and local big data companies, etc.

# Double-digit Growth in Digital Smart Applications



- Network Innovation
- Technology Innovation
- Service Innovation - CDSA

 Digital Smart Applications revenue (RMB bil)



## Actively supporting the new industrialisation

Enhancing the brand influence of Unicom’s 5G+ Industrial Internet



## Actively promoting universal intelligent connectivity

The Gewu platform supports ubiquitous and intelligent connectivity of devices



Empowering digital transformation of customers

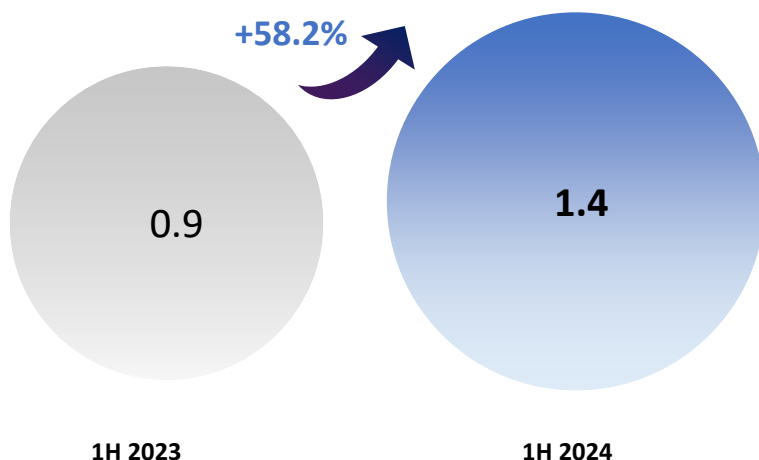


# Strong Growth Momentum in Cybersecurity

● Network Innovation   ● Technology Innovation   ● Service Innovation - CDSA



**Cybersecurity revenue**  
(RMB bil)



**"Security" becomes an important association for China Unicom brand**

**Comprehensive integration of security with CC**

Be the first in the industry to launch integrated network security products

**Security as foundation of CDSA**

Built cloud-native security to establish a solid foundation for "Secure Digital Intelligent Cloud"

**Enriching the supply of network security products**

**Mogong: security operation services platform**

**200+**

Cooperative products

**200+**

No. of governments and large enterprises served

**Security Hub: cloud market for industrial chain security**

**100+**

No. of partners

**14,000+**

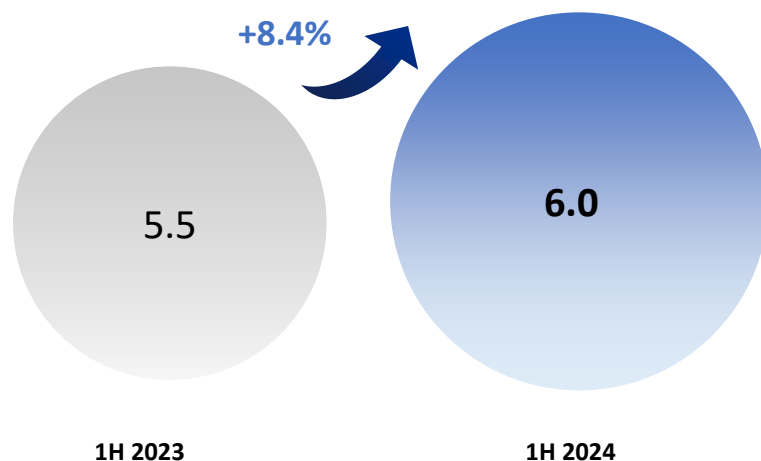
No. of small and medium enterprises served



# Accelerating the Development of International Business

● Network Innovation   ● Technology Innovation   ● Service Innovation - International business

 International business revenue (RMB bil)



## Business

↑ 45%

International roaming revenue

↑ 64%

Mobile prepaid revenue

## Network

↑ 12%

Network bandwidth

370

Global product access points

+2

International Transmission Maintenance Centre

## Products

↑ 21%

High-Bandwidth Leased Line revenue

↑ 25%

Global Smart Networking revenue

↑ 93%

International IoT revenue

↑ 88%

Unicom Cloud international revenue

# Continuous Improvement in Management, Operations and Service

- Network Innovation
- Technology Innovation
- Service Innovation - Management, operations & service



## Management

### Quality and efficiency improvement

- Improved the management responsibility system, continuously enhanced resource allocation efficiency and lean management practices

↓ **0.6pp**

Operating costs ratio<sup>1</sup> **continually decreased**

↓ **3.4%**

Management expense  
in 1H 2024<sup>2</sup>



## Operations



Built an ultra-simple network



Enhanced the product system



Enhanced intelligent operations



Optimised strategic control



Improved delivery efficiency and service quality



## Service

### High-quality service

- Built UniAI customer service large model

**98.7%**

Resolution ratio of customer cases  
by smart customer service

**84.6%**

Smart customer service ratio

Notes:

- Operating costs ratio = total operating expenses / operating revenue
- Management expense excludes staff cost and depreciation

# Actively Fulfilling Corporate ESG Responsibilities



**1,000+**

No. of investors engaged in  
1H2024



**95**

No. of investor events in 1H2024



## Environment

### Energy conservation & carbon reduction<sup>1</sup>

Reduced GHG emission

**≈6.78 mil tonnes**

- Green and low-carbon network and collaborative development

### Energy efficiency enhancement<sup>2</sup>

**↓ 6%**

Comprehensive energy consumption per unit of telecom business volume



## Social

### Improved coverage

**>250k**

Administrative villages covered by  
“Digital Villages”

### Flood control and rescue

- Actively safeguarded the communication securities in flood-affected areas such as Yueyang in Hunan, Huangshan in Hubei, and Fujian



## Governance

### Corporate governance

- Continuously deepened integrated development with strategic investors

### Value conveyance

- Conducted roadshows in Europe to convey the Company's value to the international investors

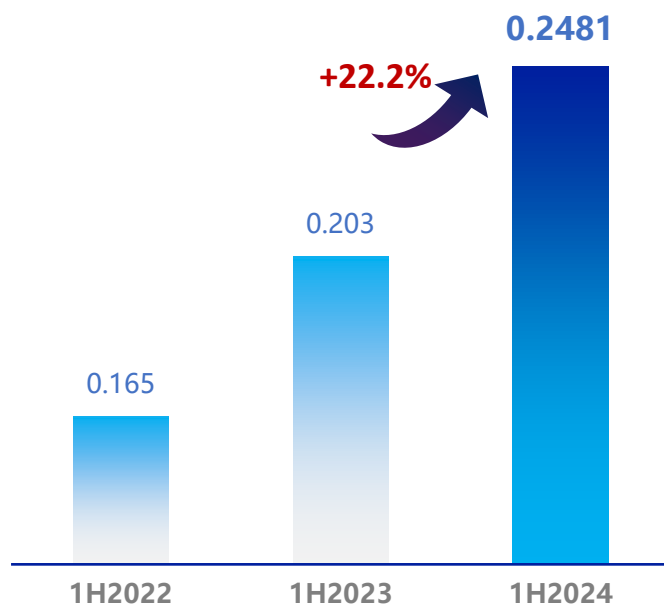
Notes:

1. Calculated according to green and low-carbon coefficients for ICT industry
2. Calculated according to green and low-carbon coefficients for ICT industry, comparing 1H2024 vs FY2023



# High Regard for Shareholder Returns

Interim dividend per share (RMB)



## Continuously enhancing shareholder returns

22.2%

YoY growth of DPS

>

11.3%

YoY growth of EPS

- The Board resolved to distribute an interim dividend of **RMB 0.2481 per share** (pre-tax), representing an increase of **22.2%** year-on-year

55%

Dividend payout ratio



## Revenue

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Operating revenue

**Steady Growth**

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## Profit

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Profit before tax

**Double-digit growth**

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## Investment

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CAPEX

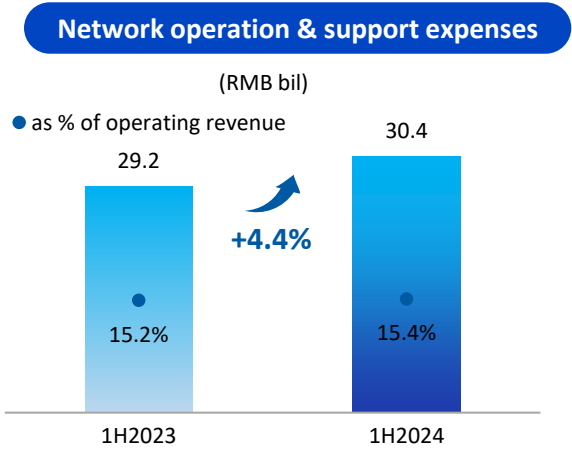
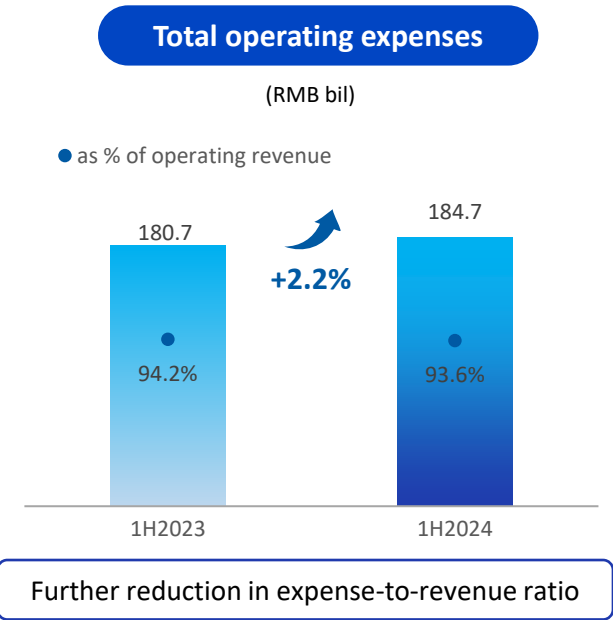
**RMB 65 bil**

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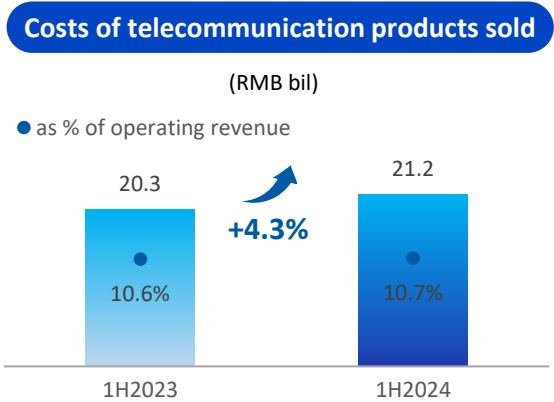
# Financial Performance



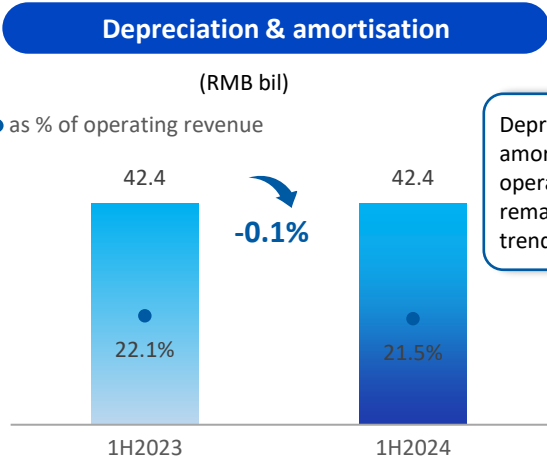
# Effective Cost Control



Despite the expansion of the Company's network and related infrastructure, it remained stable as % of operating revenue

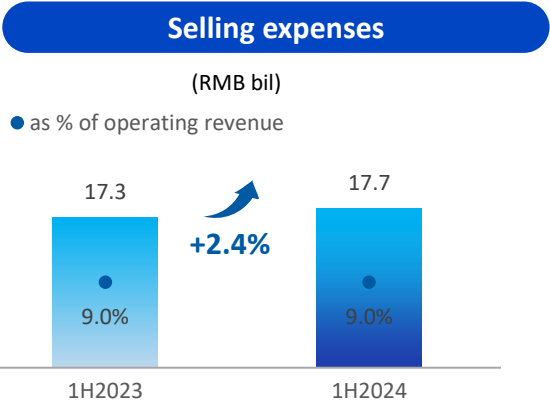


In-line with 4.3% growth in revenue from sales of telecommunication products



Depreciation & amortisation as % of operating revenue to remain on downward trend in 2024

Mainly due to the reduction in capital expenditures and network co-build co-share

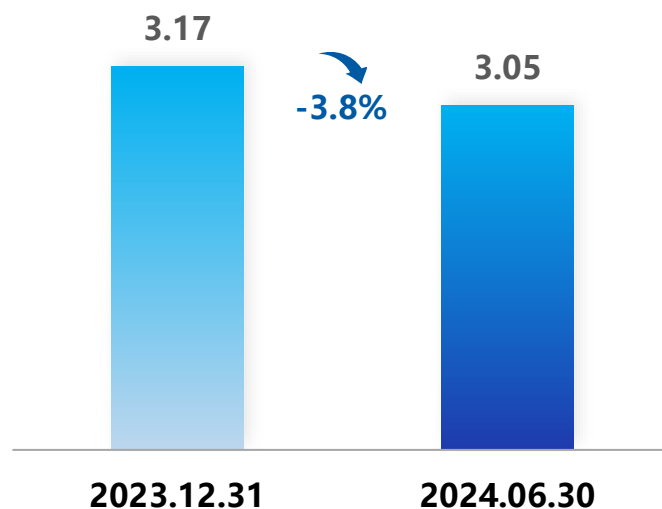


The selling expenses as % of operating revenue remained stable

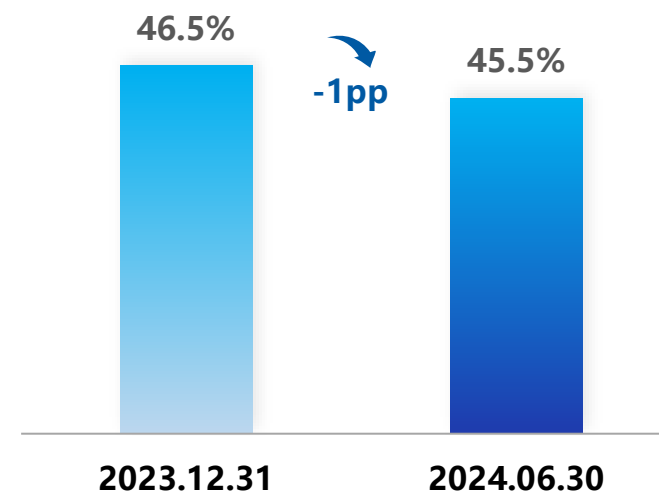
# Continuously Strengthened Ability to Counter Financial Risks

## Interest-bearing debts<sup>1</sup>

(RMB bil)



## Liabilities-to-assets ratio



Notes:

1. Excluding lease liabilities



Thank you

# Appendix: Extracts from Unaudited Condensed Consolidated Statement of Financial Position

(RMB mil)	2023.12.31	2024.06.30
Current Assets	158,101	<b>173,841</b>
Non-current Assets	502,950	<b>493,899</b>
<b>Total Assets</b>	661,051	<b>667,740</b>
Current Liabilities	263,652	<b>263,890</b>
Non-current Liabilities	43,501	<b>39,779</b>
<b>Total Liabilities</b>	307,153	<b>303,669</b>
<b>Total Equity</b>	353,898	<b>364,071</b>



# Appendix: CC Subscriber Scale

		Units	1H2023	1H2024
<b>CC Subscriber Scale</b>		Mil	927.92	<b>1,065.69</b>
	Billing Subscribers	Mil	328.03	<b>339.39</b>
	Total Handset Data Traffic	Bil GB	27.1	<b>32.3</b>
<b>Of which, mobile business</b>	Handset User DOU	GB	13.8	<b>16.0</b>
	Handset User MOU	Mins	178	<b>169</b>
	5G Package Subscribers	Mil	232.45	<b>276.15</b>
<b>Fixed-line broadband business</b>	Subscribers	Mil	107.80	<b>116.94</b>
<b>Fixed-line local access business</b>	Subscribers	Mil	46.60	<b>44.46</b>
<b>IoT business</b>	IoT terminal connections	Mil	443.22	<b>562.38</b>