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China unicom

2024 Annual Results

18 March 2025

China Unicom (Hong Kong) Limited
762.HK

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.

- **Chen Zhongyue** **Chairman and Chief Executive Officer**

- **Jian Qin** **Executive Director and President**

- **Wang Junzhi** **Executive Director**

- **Tang Yongbo** **Senior Vice President**

- **Li Yuzhuo** **Executive Director & Chief Financial Officer**

- **Hao Liqian** **Senior Vice President**



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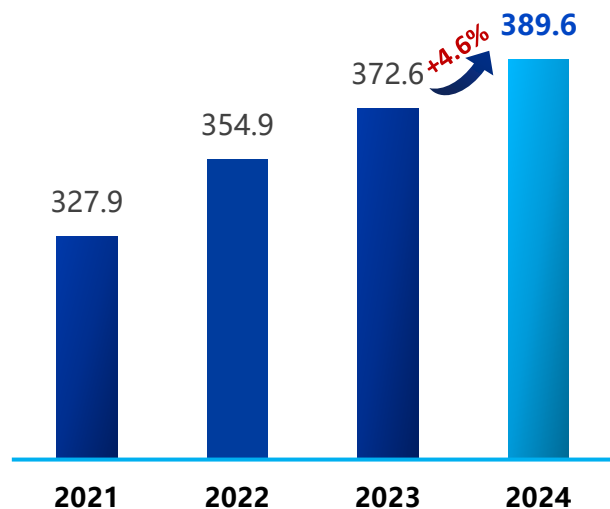
Overall Results

Results Summary—New Breakthroughs in High-quality Development



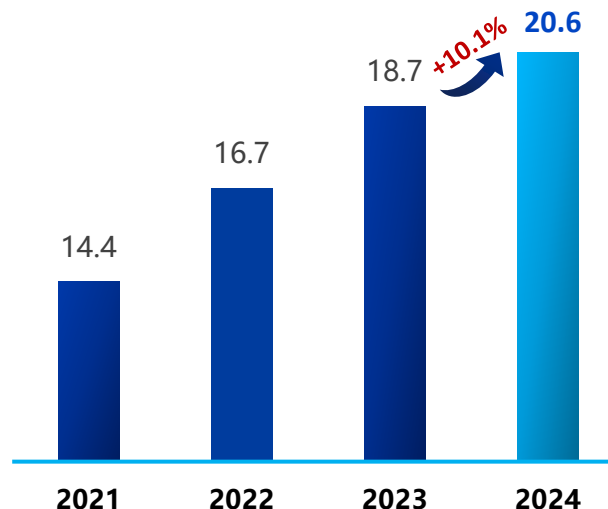
Operating revenue grew steadily

Operating revenue
(RMB bil)



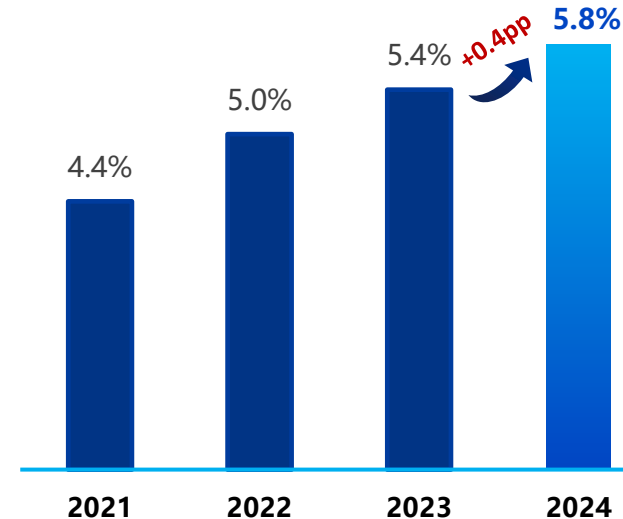
Profitability continued to improve

Net profit¹
(RMB bil)



Operational quality enhanced constantly

Return on equity²
(ROE)



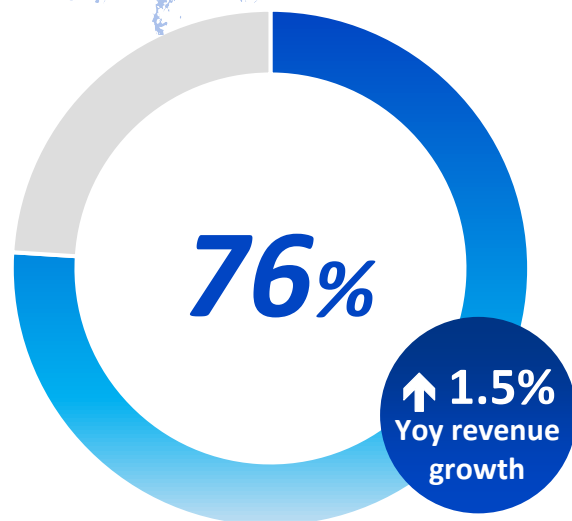
Notes:

1. Net profit refers to the profit attributable to equity shareholders of the Company

2. Return on equity (ROE) = the profit attributable to equity shareholders of the Company in the period/ average balance of equity attributable to equity shareholders of the Company at the beginning and end of the period

Results Summary—Connectivity and Communications (CC) Provided Steady Support

 CC¹ business revenue
as % of service revenue



Subscriber scale reached **another record high**

Total connectivity subscriber scale²



1.14_{bil}

Net addition of 150mil

Total mobile and broadband subscribers



470_{mil}

Net addition of 19.52mil

IoT connections



>620_{mil}

Internet of Vehicles
connections

76_{mil}

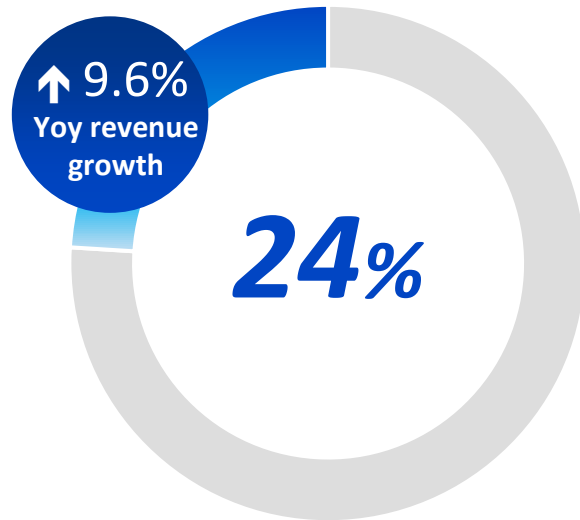
Notes:

1. Connectivity and Communications (CC) includes six major segments: mobile connectivity, broadband connectivity, TV connectivity, leased line connectivity, communication services, and information services
2. Connectivity subscriber scale = 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

Results Summary— Computing and Digital Smart Applications (CDSA) Grew with Quality Enhancement



CDSA¹ business revenue
as % of service revenue



Strong growth in computing power services



Unicom Cloud²
revenue

RMB **68.6** bil

↑ 17.1% yoy



Data centre
revenue

RMB **25.9** bil

↑ 7.4% yoy



New contract value of
intelligent computing business

> RMB **26** bil

Rapid growth of intelligent computing business

Notes:

1. Computing and Digital Smart Applications (CDSA) includes six major segments: Unicom Cloud, data centre, system integration, data services, intelligence services, and cybersecurity

2. To reflect the business opportunities brought by the development of artificial intelligence in terms of general computing and intelligent computing, the scope of Unicom Cloud revenue has been optimised to include revenue from cloud IDC, cloud resources, cloud platform, cloud service, cloud integration, cloud interconnection, cloud security, etc. generated from integrated innovative solutions.



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**Network
Innovation**

**Technology
Innovation**

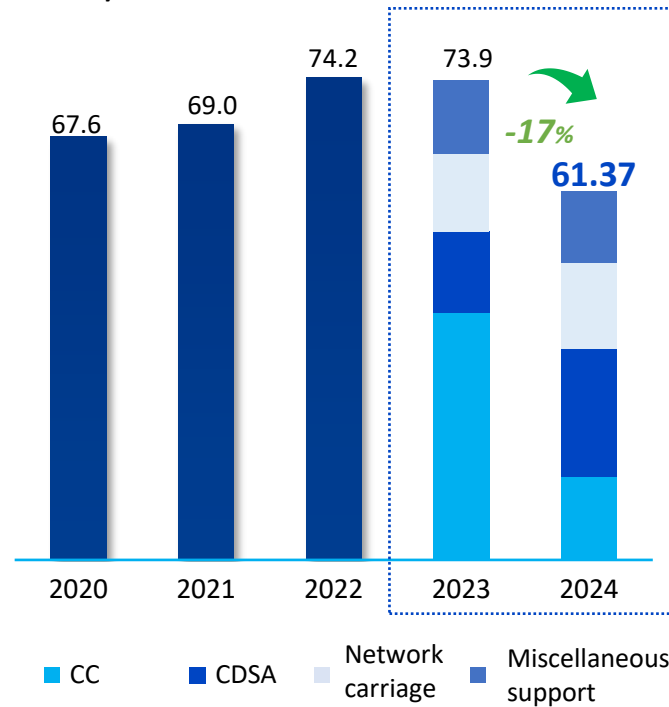
**Service
Innovation**

Network Innovation—Significant Improvement in CAPEX Efficiency



Effective savings in CAPEX

CAPEX
(RMB bil)



Significant optimisation in investment structure

Proportion of Investment



CC

48%

yoy ↓17pp

Proportion of Investment



CDSA

23%

yoy ↑11pp

Better network coverage



Mobile network population coverage rate ↑ **nearly 1pp**

Benefiting **Millions of subscribers**



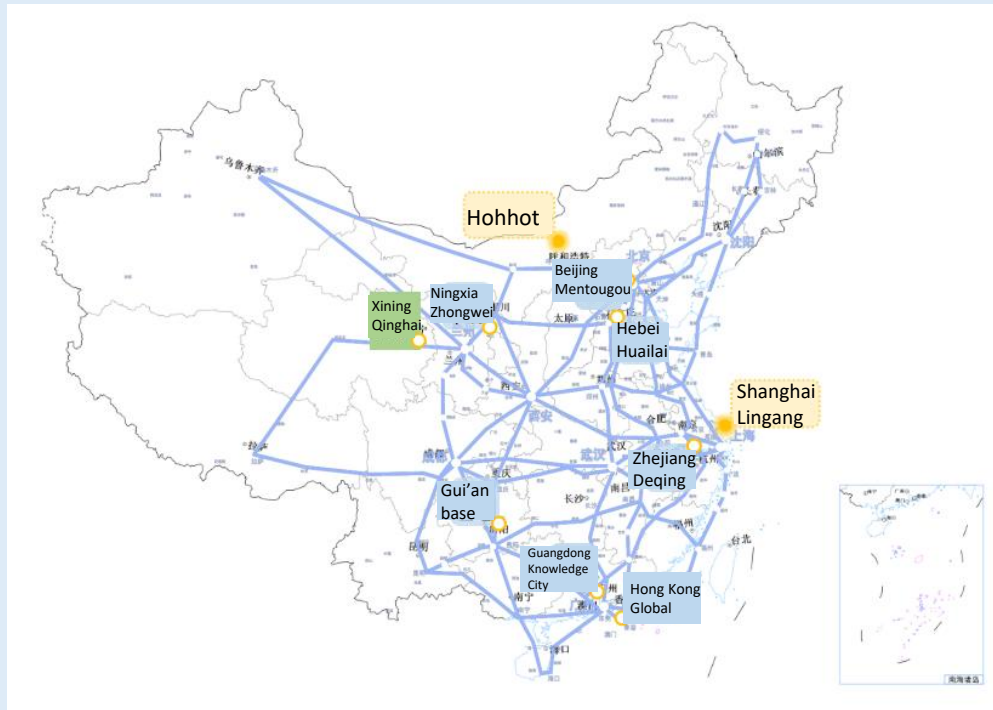
No. of broadband ports ↑ **5%**

Benefiting **Millions of households**

Network Innovation—Coordinated Development of Connectivity and Computing Networks



“New eight vertical and eight horizontal” backbone networks



- **10,000-accelerator mega AI computing centre**
Serve training of **100-billion-parameter** large models
- **Integrated AI training and inference hubs**
Providing **integrated AI training and inference services** to accommodate diverse scenarios of AI training and inference
- **Localised AI inference nodes**
Achieving localised deployment of GPU computing power and low-latency inference decision-making

Broader coverage, better experience



Mobile network



Mobile network base stations
>4.50mil



Large - scale commercial use of 5G - A
Deployment of carrier aggregation in **300 cities**



Broadband network



No. of broadband ports
280mil



The proportion of 10G PON ports
>80%
Industry leading

Larger scale, stronger capabilities



Computing resources



No. of IDC cabinets
420k
Cabinet utilisation rate 68%



Total scale of intelligent computing
>17EFLOPS



Integrated training and inference computing resource pools
>300



Computing network capabilities



Computing power intelligent network (AINet)
400/800G



Network-wide intelligent computing power allocation
“Xingluo” computing power allocation platform

Distribution of International Business Exchanges



China Unicom newly established two international exchanges in **Qingdao** and **Haikou**, which, together with the international exchanges in Beijing, Shanghai, and Guangzhou, jointly support China's connectivity and exchanges with the whole world

Robust connectivity and integrated computing network¹

Marine and terrestrial cable connections

International marine and terrestrial cables
 **>60**

International business POPs
 **410**

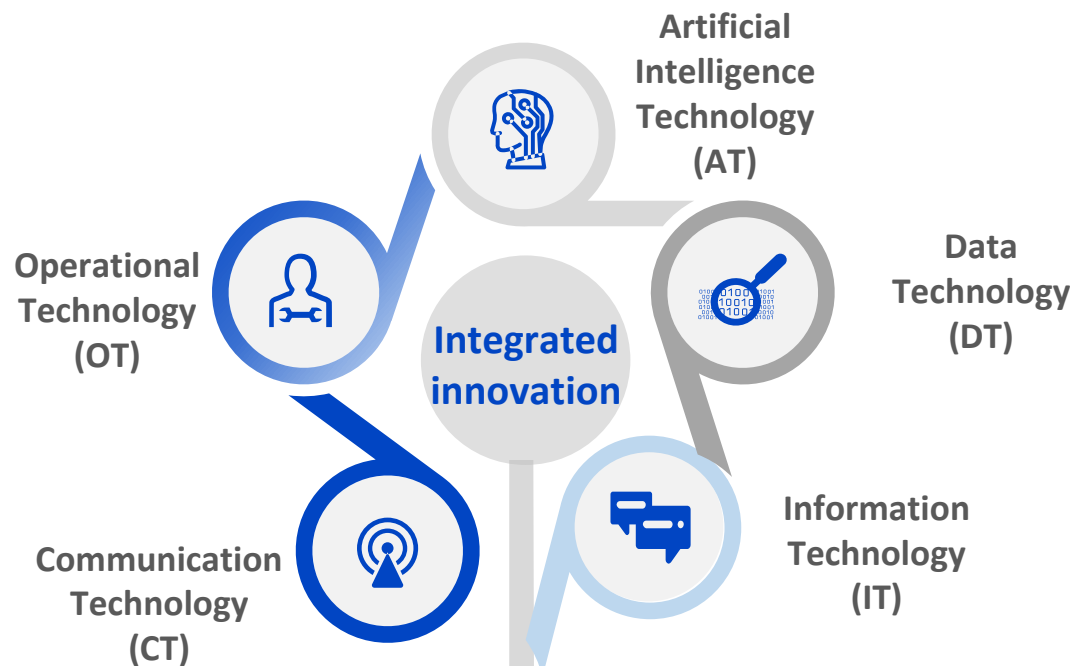
Countries and regions covered by services
 **>200**

International intelligent computing capabilities



Leveraging the hub role of the **Tseung Kwan O Data Center in Hong Kong**, aggregating the self-owned computing power in **Tokyo, Singapore, Frankfurt**, and connecting **over 50** resource pools from leading global cloud service providers, to offer high-quality computing network services to clients worldwide

Technology Innovation — Deepening the Integrated Innovation of Digital Technologies



Increasing investment in innovation

 **↑ 9.1%**
R&D investment


 **42%**
Proportion of technological innovation talent

Continuously improving the innovation system

Established innovation entities in regions such as **the Beijing-Tianjin-Hebei, Yangtze River Delta, and Guangdong-Hong Kong-Macau Greater Bay Area**

China Unicom Data Intelligence Co., Ltd
Data Science and Artificial Intelligence Research Institute

Rich achievements in scientific and technological innovation

 5G key technologies and engineering application
First Prize in National Science and Technology Progress

 5G Smart Steel Factory
GSMA Global Mobile Awards Best Mobile Internet Economy Innovation Award

Technology Innovation—Promoting Computing Network Integration

Next-generation Internet



Basic protocols and system architecture of “Internet 2030”



Key technologies such as wide-area lossless transmission and inter-network computing power allocation



China Unicom Qinghai Sanjiangyuan Park – demonstrating integration of green power with intelligent computing

The 10,000-accelerator green computing centre achieves computing-network integration and computing-electricity integration. Its cluster average utilisation rate is expected to exceed 60%

Next-generation mobile communication



Key technologies such as millimeter waves, multi-frequency sensing, and reconfigurable intelligent surfaces (RIS)



Key technologies such as ultra-low latency, high-precision positioning, and dense sensing



Established national-class experimental zones in Anyang, Nanjing to promote integrated innovation across air, space, land and sea

Technology innovation—Promoting Digital Intelligence Integration

Big data



Key technologies such as dynamic generation of vector data and distributed collaborative computing



Internal and external, multi-industry
High-quality dataset



Mature standards, advanced technology, superior performance, and cross-domain integration
Data platform



Leading data governance and data security capabilities
Trusted data space platform

AI



Key technologies such as adaptive slow thinking and asymmetric MoE architecture

Developed **dozens of** industry-specific large models



Industrial manufacturing



Social governance



Economic operation



Public security ...

Multi-modal intelligence, flexible customisation, secure autonomy
UniAI MaaS platform



All-modal, multi-size, high performance
UniAI series foundational models

Service Innovation—Innovative Upgrade in Digital Smart Services

Creating and sharing smart life

Product Upgrade



5G new calling



Cloud phone



Cloud computer



Smart Home Tone robot



Smart customer service AI agents

...

Scale Development

Personal Digital and Smart Living



Unicom Cloud Drive

Users >180mil



Video Ringtone

Users >280mil

Unicom Smart Home business



Unicom UHD

Users > 50mil



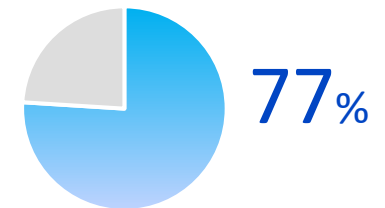
FTTR

Users >12mil

Industry leading

Promoting integrated development

Integrated subscriber %



> RMB100

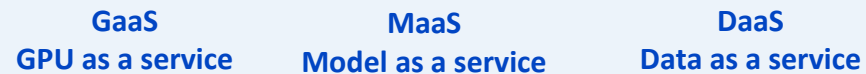
Integrated subscriber ARPU

Service Innovation—Unicom Cloud Intelligent Upgrade


Integrated operation of intelligent computing and general computing




Flexibly meet one-stop needs



World's first

 Telecommunications operator providing cloud services during international sports events

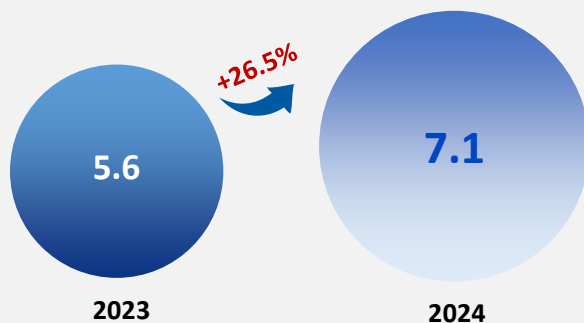
Millisecond level

 Elastic resource allocation and AI-driven traffic forecasting can reduce latency

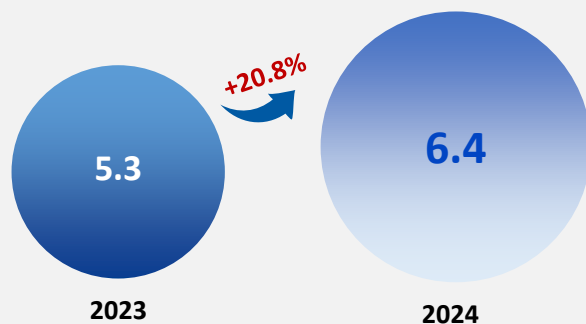
Service Innovation—Scale Breakthrough in Digital Smart Applications



Intelligence services revenue
(RMB bil)



Data services revenue
(RMB bil)



Industrial Internet

The first national A-level dual-cross platform —
“Gewu” Industrial Internet platform



5G Industrial Internet
projects
>29,000



5G factory
>7,100

Digital government

Enhancing digital government efficiency



Accomplish
one task
efficiently



Government
service
hotline

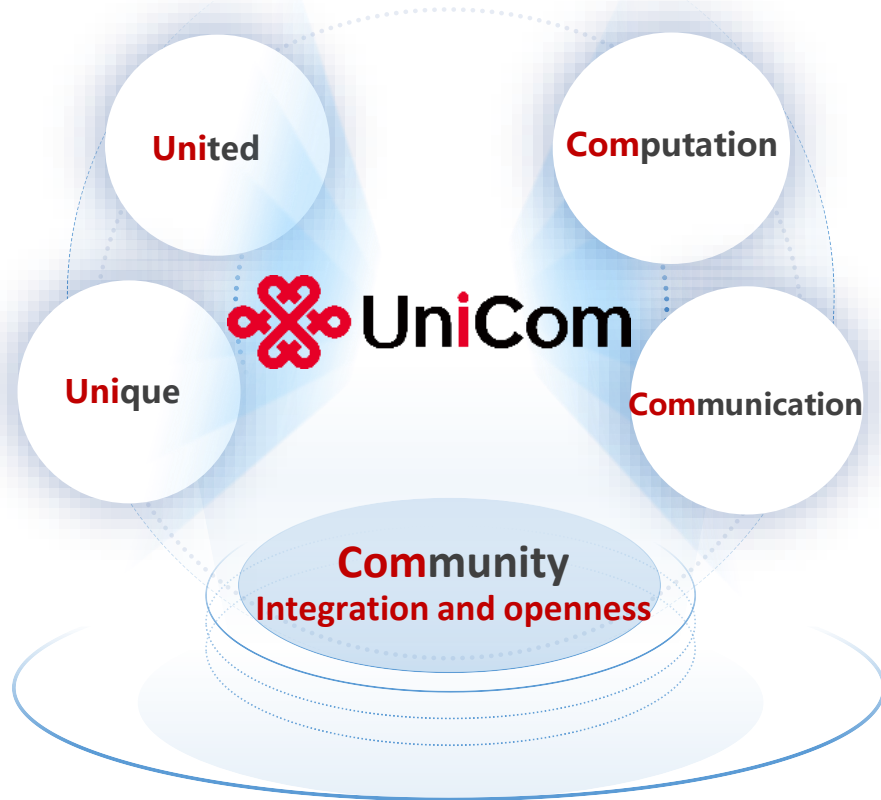


Report
only
once



Social
governance

Service Innovation— Full Rebrand of International Business



 International business

RMB **12.5** bil

↑ 15.2%

International market expansion



40

Global Branches

- New branches were established in Saudi Arabia, Peru, the UAE, and Uzbekistan to better serve the global roaming and digital needs of customers



Globally integrated IoV operation advantages

Serving leading automotive companies in their overseas expansion

Actively Fulfilling Corporate ESG Responsibilities



Best Managed Company in China

FinanceAsia "Asia's Best Managed Companies Poll 2024"



Sustainable Asia Award

Corporate Governance Asia
14th Asian Excellence Award 2024



Excellence in Environmental, Social and Governance Platinum Award

The Asset
ESG Corporate Awards 2024



Environment



Launched Green Action Plan



22

National Green Computing Centres



Society



260k villages

280 mil users

served by "Digital Village" Platform



8,000 business outlets

Smart elderly assistance service centres set up



Corporate Governance



Market value management policy
over 160 investor events

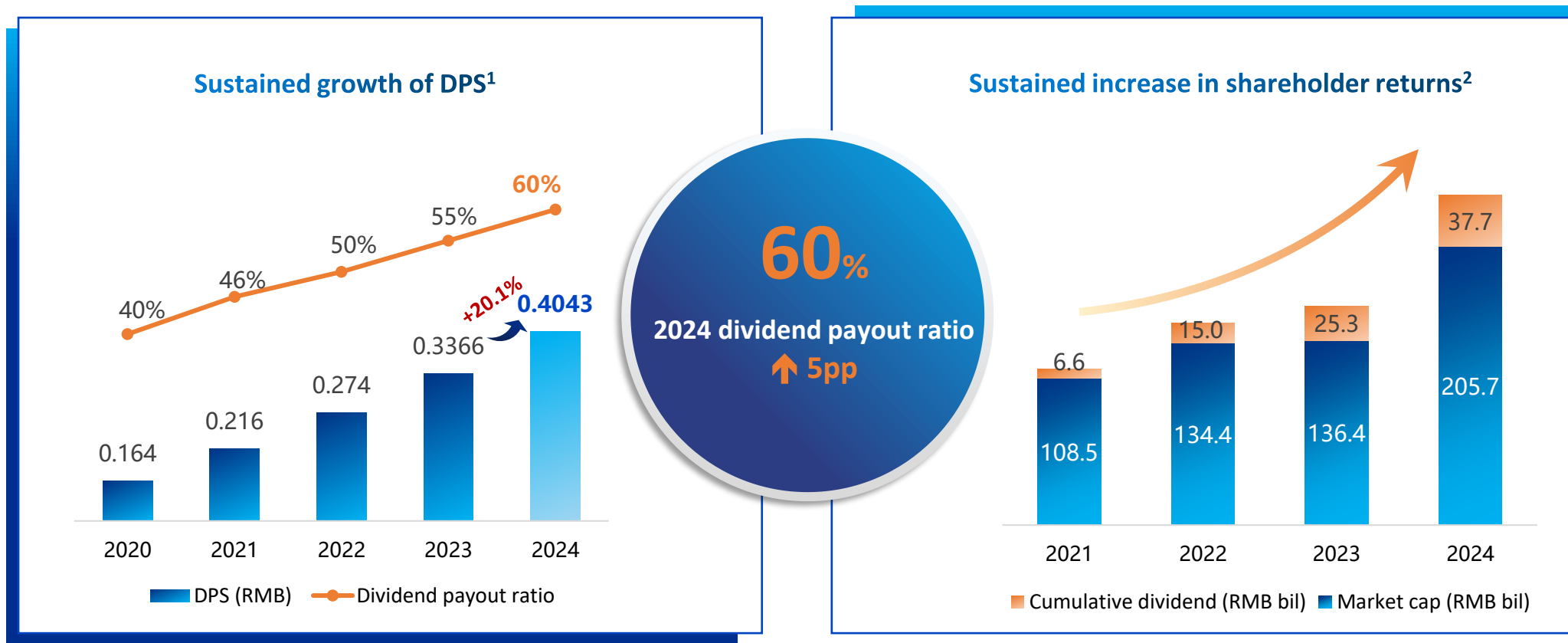


Included in FTSE China A50 index¹

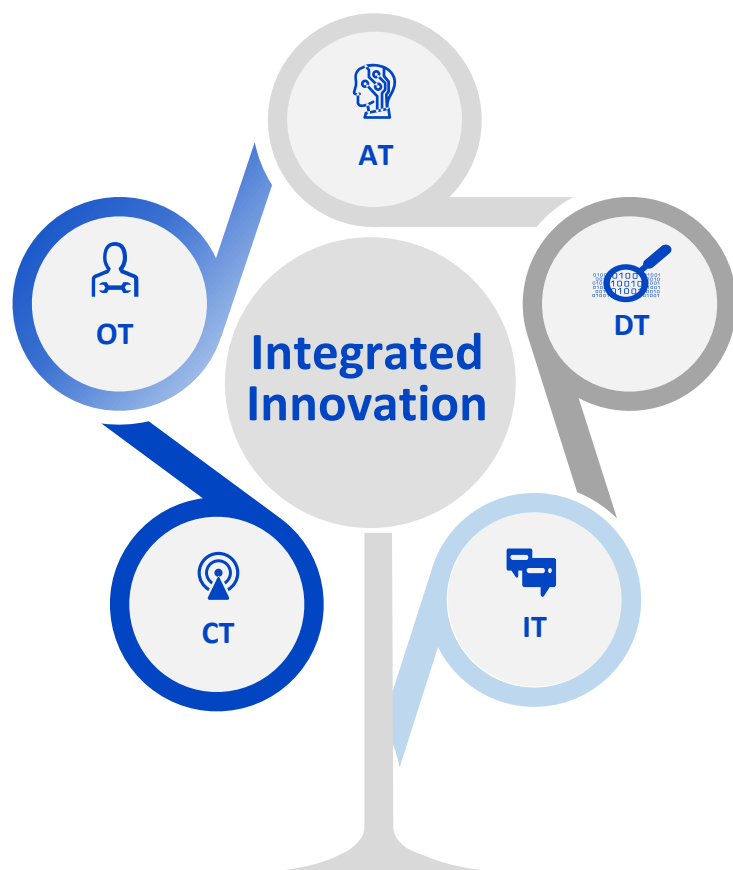
Note:

1. Refers to China United Network Communications Limited (600050.SH), the controlling shareholder of the Company

High Regard for Shareholder Returns



Notes:
 1. The Board of Directors recommends the payment of a final dividend of RMB 0.1562 per share, which together with the interim dividend of RMB 0.2481 per share already paid, will result in a total dividend of RMB 0.4043 per share for the year. The proposed final dividend for 2024 is subject to shareholders' approval at the annual general meeting.
 2. Market cap is calculated based on the closing price on the last trading day of the year, with the exchange rate set at 1 RMB = 1.0994 HKD. The calculation of cumulative dividend starts from 2021.



Operation

Revenue, profit, and ROE

Sound Growth

Investment

CAPEX

Around RMB **55** bil

Within that, computing power investment

↑ 28%

2025 Targets

- Enhanced innovation momentum
- Stronger capability advantages
- Optimised business structure
- Improved operational efficiency
- Enhanced Brand Image



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Financial Performance

Effective Cost Control



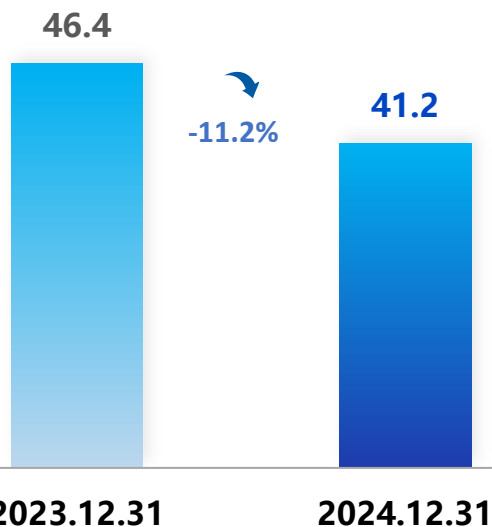
(RMB mil)	2024	Yoy change	
Total operating expenses	373,557	4.5%	The growth rate is lower than the 4.6% growth of operating revenue
Include: Interconnection charges	11,224	-0.6%	
Depreciation and amortisation	83,392	-1.7%	Mainly benefited from effective management of CAPEX in recent years and network co-build co-share
Network, operation and support expenses	64,320	7.2%	Mainly due to the expansion of the Company's network scale and its increasing computing power resources to meet the needs of business development
Employee benefit expenses	64,931	3.2%	Mainly due to the continuous advancement of incentive mechanism reform, stronger linkage between incentives and performance, and optimised human capital efficiency. ↓0.2 pp as % of operating revenue
Costs of telecommunications products sold	42,466	16.7%	Basically In line with the 16.5% sales growth of telecommunications products
Selling expenses	36,975	3.2%	Selling expenses as % of operating revenue remained stable
G&A expenses	70,249	6.0%	Actively tapped into the blue ocean of CDSA with moderate increase in cost spending

Continuously Strengthened Ability to Counter Financial Risks



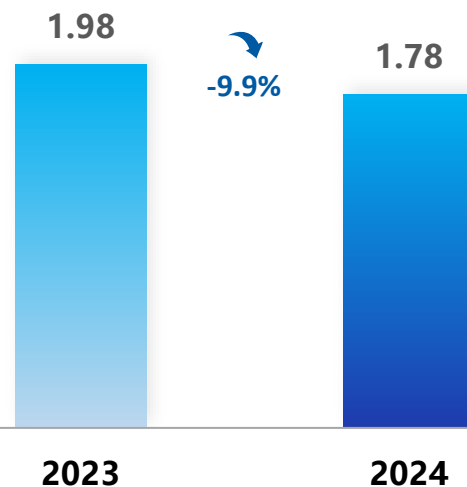
Interest-bearing liabilities

(RMB bil)

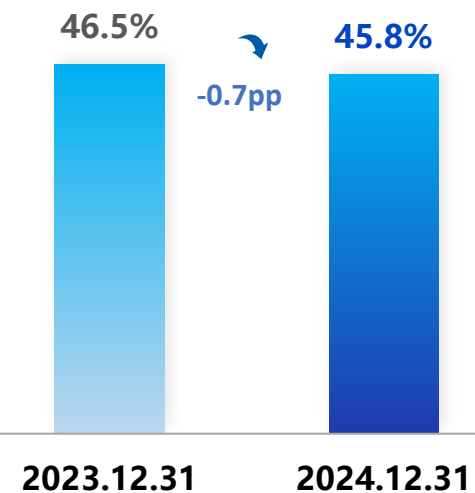


Finance costs

(RMB bil)



Liabilities-to-assets ratio





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Thank You!