

BUSINESS OVERVIEW

In 2023, China Unicom adhered to the principle of serving the people, focused on the primary task of high-quality development. It continuously deepened business integration, market convergence, and the fusion of capabilities and intelligence. The Company's operation remained stable with progress, and its business revenue maintained rapid growth. The subscriber scale reached a new high in recent years, with 333 million mobile billing subscribers in 2023, and accumulative net addition of 10.60 million. The fixed-line broadband subscriber scale reached 113 million, with accumulative net addition of 9.79 million. China Unicom's brand influence continued to expand. In a brand-building capabilities benchmark against central state-owned enterprises (CSEs), it ranked fourth among them and first in the telecommunications industry.

The stabilising effect of Connectivity and Communications business became more prominent. Firstly, the Company accelerated the promotion of new and existing subscribers to 5G, gigabit, and integrated services. In terms of 5G, the Company continued to promote network-business-access alignment, and accelerated the upgrade to 5G devices for network access and the migration from 3G. Regarding gigabit services, the Company adhered to the drivers of 1000 Mbps broadband and FTTR, aiming to enhance customer perception through high-speed networks, and carried out initiatives such as achieving gigabit benchmarks and enabling gigabit communities. For integrated services, the Company promoted comprehensive integration of scale and value, improving the overall perception of communication services in households, and achieving breakthroughs in scale and value as a whole. **Secondly, the Company continued to enhance the provision of new digital smart living and smart home applications,** reshaping voice services and SMS services, and creating new experiences in communication services. The Company

established product lines that integrated technology innovation, cloud networking, terminal devices, and data, focusing on customer and market needs. In 2023, the Company's cloud computer officially achieved commercialisation, and the information application products like video ringtones, Unicom Cloud Drive, and smart homes generated revenues over RMB10 billion. **Thirdly, the scale of Internet of Things (IoT) business maintained steady growth,** with a total of 490 million IoT connections. Among them, the net addition of 5G connections led the industry. The scale of Cat.1 connections reached 130 million. The Company's market share in Internet of vehicles continued to stay ahead in the industry. **Fourthly, the Company upgraded the 5G "empowerment engine", empowering thousands of industries with intelligence and value.** The Company developed a total of 30,000 commercial 5G application projects, covering 71 major categories of the national economy. The customer scale continued to expand, and the cumulative number of customers served by the virtual 5G industry private networks exceeded 8,500.

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The development capabilities of Computing and Digital Smart Applications (CDSA) business have been continuously strengthened. Firstly, in terms of computing power services, Unicom Cloud's cloud resource pool experienced rapid growth and accomplished the deployment of "one resource pool per city". In key areas such as government clouds and CSEs' cloudification, the Company newly added over 100 benchmark projects of private clouds. Secondly, in terms of cloud data centres, China Unicom achieved leading growth within the IDC industry. Thirdly, in terms of data services, the Company's total revenue from Big Data grew rapidly, and its market share maintained industry leading for five consecutive years. The Company's data services capabilities passed DCMM level 5 assessment. Its integration of technologies such as blockchain and homomorphic encryption achieved cross-domain networking and reduced storage by 30%. The performance of the underlying platform has surpassed 20,000 transactions per second (TPS). Fourthly, in terms of digital smart applications, regarding IoT, China Unicom launched

the world's first 5G RedCap commercial module. The Company's "Gewu" device management platform is capable of supporting tens of millions of concurrent connections, and its advantages in scenario-based object models have empowered key industry customers in their digital transformation and upgrade, creating benchmark projects in various sectors. Regarding artificial intelligence (AI), China Unicom constructed an independent and innovative AI infrastructure, developing large language models and CDSA products for fields such as government affairs and the economy. These efforts have comprehensively empowered the implementation of over 30 scenario applications such as factories and industrial manufacturing parks. Fifthly, in terms of cyber information security, China Unicom relied on the "Mogong" security operation service platform, utilising its capabilities in large-scale network situational awareness to develop an operation service model integrating "Terminal-Network-Cloud-Data-Service". In areas such as digital government and CSEs, China Unicom newly added over 50 new model cases.



The high-quality network capability continuously improved. Firstly, China Unicom took full responsibility for building Cyber Superpower and Digital China, accelerating the construction of a comprehensive intelligent digital infrastructure characterised by high-speed ubiquitous connectivity, integration across space and ground, cloud-network convergence, intelligence and agility, green and low-carbon features, as well as security and controllability. The Company continuously promoted the construction of mobile premium networks, broadband premium networks, and government & enterprise premium networks, establishing a solid CDSA capabilities foundation. The Company focused on enhancing its core competitiveness, sustainable development capacity, and value creation ability, driving the network quality to a new level and further building a solid network foundation for China Unicom's high-quality development. By the end of 2023, there were over 1.21 million 5G mid-band shared base stations, 680,000 900MHz low-band base stations, and over 2.90 million available 4G base stations. The coverage rate of 5G/4G in administrative villages

reached 98%. Secondly, the Company continuously promoted the coverage of gigabit optical networks, with over 260 million broadband ports and the proportion of 10GPON ports exceeding 70%. Thirdly, the Company actively built a multi-level computing power supply. By combining national Eastern Data and Western Computing strategy, along with China Unicom's "5+4+31+X" computing resource deployment, the Company improved its multi-level architecture. China Unicom's computing centres covered eight major hubs and 31 provinces, with over 400,000 data centre cabinets. The resource deployment of a thousand cabinets was completed in 29 provinces, and over 230 cities were covered by backbone cloud pools. The number of MEC nodes exceeded 600. Fourthly, The Company continuously improved the international network deployment. By the end of 2023, the international submarine and land cable resource capacity reached 88T, Internet international interconnection capacity 7.63T and inbound bandwidth 5.59T. International roaming covered 643 operators in 264 countries and regions.

