

To: Business/Finance Editors (For Immediate Release)

27 February 2014

CHINA UNICOM (HONG KONG) LIMITED
ANNOUNCES ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

Highlights :

- **Fast Service Revenue Growth:** Exceeding industry average by an enlarged 4.8pp, market share in service revenue up 0.9pp
- **Significantly Improved Profitability:** EBITDA up 15.6%, net profit up 46.7%
- **More Solid Financial Status:** Operating cash flow up 11.1%, FCF of RMB5.02 billion
- **Greatly Optimised Business Structure:** 3G & broadband becoming mobile & fixed-line's No.1 revenue source respectively, non-voice's share of service revenue was 56.2%
- **Further Enhanced Network Capabilities:** 3G network upgraded to DC-HSPA+ in multi carrier sector areas, FTTH/B's share of broadband access ports was 71%

Financial Summary

	For the Year Ended 31 December (RMB millions)		
	2013	2012	Change (%)
Operating Revenue¹	295,038	248,926	18.5%
Of which: Mobile	207,526	164,771	25.9%
Fixed-line	86,566	83,277	3.9%
Service Revenue²	238,567	210,127	13.5%
Of which: Mobile	151,133	126,036	19.9%
Fixed-line	86,487	83,213	3.9%
EBITDA	83,963	72,658	15.6%
EBITDA as % of Service Revenue	35.2%	34.6%	0.6pp
Net Profit	10,408	7,096	46.7%
Basic EPS (RMB)	0.440	0.301	46.2%
Proposed Final Dividend Per Share (RMB)	0.16	0.12	33.3%

Note 1: Due to unallocated items, operating revenue is not equal to the sum of mobile and fixed-line operating revenues, both of which are external revenues.

Note 2: Due to unallocated items, service revenue is not equal to the sum of mobile and fixed-line service revenues.

Hong Kong, 27 February 2014 – China Unicom (Hong Kong) Limited (“China Unicom” or “the Company”) (HKSE: 0762; NYSE: CHU) is pleased to announce today its annual results for the year ended 31 December 2013 (the “Year”).

In 2013, the Company focused on scale and profitable development and fully grasped its development window of opportunity to accelerate its expansion in market and market share. As a result, the Company continued to lead the industry in terms of revenue growth. Its business structure was further optimised, and its profitability recorded significant improvement. During the Year, the Company maintained rapid revenue growth. Operating revenue reached

RMB295.04 billion, an increase of 18.5% compared with the previous year, of which, service revenue was RMB238.57 billion, up by 13.5% year-on-year, and the market share in service revenue increased steadily. Mobile business and non-voice business accounted for 63.4% and 56.2% of service revenue respectively, indicating the Company's further optimised business structure and further enhanced capability for sustainable development. With the rapid revenue growth and the continuous improvement in business structure, the Company achieved significant improvement in profitability, and its overall financial status turned more solid. Full-year EBITDA increased by 15.6% year-on-year to RMB83.96 billion, and net profit by 46.7% to RMB10.41 billion. The Company's cash flow status improved remarkably, with operating cash flow increasing by 11.1% year-on-year and free cash flow turning positive to RMB5.02 billion.

Mobile business continued rapid development. During the Year, the Company proactively promoted the integrated operation of its mobile business to drive the scale development. Full-year mobile service revenue reached RMB151.13 billion, up by 19.9% year-on-year. Net additions of mobile subscribers amounted to 41.67 million, and total mobile subscribers exceeded 280 million. The Company's mobile subscriber mix was further optimised, and its mobile ARPU increased further to RMB48.2. During the Year, the Company's 3G business scale recorded new breakthrough. 3G service revenue reached RMB89.80 billion, up by 50.2% year-on-year, accounting for 59.4% of the Company's mobile service revenue; 3G business has become the Company's No.1 revenue contributor. The Company's 3G subscribers reached 123 million at year end, up by 60.4% year-on-year, accounting for 43.6% of the Company's mobile subscribers. 3G ARPU maintained at a relatively high level of RMB75.1.

Fixed-line business maintained steady growth. During the Year, the Company's fixed-line service revenue increased by 3.9% year-on-year to RMB86.49 billion, of which 74.2% was generated from non-voice services. The Company proactively promoted the upgrade and speed-up of its broadband network, enhanced service capability, and accelerated the development of high-speed and bundled services. As a result, the Company's broadband business maintained rapid growth in revenue and subscribers. Full-year broadband service revenue³ increased by 10.6% year-on-year to RMB45.99 billion, accounting for 53.2% of the Company's fixed-line service revenue. Broadband subscribers³ reached 64.647 million at year end, up by 10.4% year-on-year.

In 2013, the Company continued to strengthen the network construction with a focus on mobile broadband, fiber optic broadband and transmission networks, so as to enhance its network competitiveness in the future. During the Year, the Company expanded its 3G base stations by 76 thousand to 407 thousand, and further enhanced the broad and in-depth coverage of its 3G network. The Company opened HSPA+ service over the whole 3G network, which can offer downlink speed up to 21Mbps. The Company has also upgraded 3G base stations installed with multi carrier sectors to DC-HSPA+, which can offer downlink speed up to 42Mbps. In addition, the Company accelerated the construction of fiber optic network, and its broadband access ports reached 119.07 million, of which 71% were FTTH/B. The Company also completed full deployment of IPRAN so as to meet the load-carrying demand from LTE and other services.

Looking into the future, information and communication technology will continue to lead the global innovation trend, and 2014 is still important development window of opportunity for China Unicom. From the industry point of view, with the further implementation of a series of

policies such as carrying out “Broadband China” strategy, stimulating ICT consumption and pushing forward 4G operation, and with the emerging new technologies and businesses such as big data, cloud computing and Internet of Things, the industry possesses greater growth potential. From the Company’s point of view, its foundation for future development turns more solid. The construction and operation of WCDMA network has built the Company’s leading position in the market, laying solid foundation for 4G development in the future. The rich experience gained in standardised operation, data volume operation, supply chain cooperation and e-commerce will further consolidate and expand the Company’s differentiated advantages in 4G era.

In 2014, the Company will proactively cater to market changes, grasp the opportunities, leverage on its advantages and fully implement the strategy of “Mobile Broadband Lead” to realise the following goals: revenue growth exceeding industry average, profit growth exceeding service revenue growth, further improved CAPEX structure and effectiveness and further enhanced operational capabilities, so as to create more value for its shareholders. China Unicom is full of confidence about its overall development in 2014.

Note 3: To be comparable with other telecom operators, computation basis of broadband subscribers was adjusted from 2013 as follows: including Internet leased line users and not applying LAN user account conversion. For the year ended 31 December 2012, after adjustment, the number of broadband subscribers was 58.540 million. Correspondingly, service revenue from the broadband business included service revenue from the Internet leased line users. After adjustment, the service revenue from the broadband business changed from RMB39.37 billion to RMB41.57 billion in 2012.

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The Company would like to caution readers about the forward-looking nature of some of the statements in this press release. These forward-looking statements are subject to various risks and uncertainties, including future changes in our competitive and regulatory environment, future growth rates of the Chinese economy and its telecommunications industry, changes in telecommunications-related technologies and applications, changes in the political, economic, legal, tax and social conditions in the PRC and other factors that will affect the execution of our business plans and strategies.

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