To: Editors, Economy/Finance Section

China Unicom's Interim Net Profit Showed Short-Term Volatility Full-Year Contraction Expected to Narrow Significantly

Highlights:

- **Revenue performance was stable in the first half of the year. Against a backdrop where the overall industry growth was facing challenges, operating revenue was RMB 201.4 billion, representing a year-on-year increase of 0.6%. Service revenue was RMB 178.0 billion, representing a year-on-year decrease of 0.2%.**
- **Due to value-added tax and the change in timing of employee benefit expenses spending, net profit decreased by 34.6% year-on-year to RMB 9.5 billion. The Company expects the full-year contraction in net profit to narrow significantly.**
- **Cash flow was healthy and improving, with operating cash flow at RMB 32.9 billion, representing a year-on-year increase of 13.6% and reaching a new high in recent years.**
- **Computing power revenue was RMB 41.9 billion, representing a year-on-year increase of 13%. Within this, IDC revenue increased by 11% year-on-year, and computing service revenue increased by 9% year-on-year.**
- **Capital expenditure for the first half of the year was RMB 24.1 billion. Computing power investment mix increased to 37%, and the absolute investment amount increased by over 80% year-on-year.**

Financial summary (RMB million)	**1H 2025**	**1H 2026**	**YoY change**
Operating revenue	200,202	**201,364**	0.6%
Service revenue	178,356	**177,956**	-0.2%
Net profit[1]	14,484	**9,468**	-34.6%
Basic earnings per share (RMB)	0.473	**0.309**	-34.6%
Operating cash flow	29,002	**32,943**	13.6%

[1] Profit attributable to equity shareholders of the Company

(18 August 2026, Hong Kong) – China Unicom (Hong Kong) Limited and its subsidiaries ("China Unicom" or the "Company") (HKEx: 0762) today announced its 2026 interim results.

In the first half of the year, China Unicom faced new opportunities and challenges, adhered to "Preserve and Innovate, Steady and Far-reaching", focusing on the four major arenas of "connectivity", "computing power", "service", and "security". The Company strived to promote high-quality development, leading to a more solid operational foundation, stronger growth momentum, accelerated release of reform vitality, and continuous improvement in development quality and efficiency.

Operating revenue bucked the trend and increased by 0.6% in the first half of the year

In the first half of the year, against a backdrop where the overall industry growth was facing challenges, the Company's operating revenue was RMB 201.4 billion, representing a year-on-year increase of 0.6%. Service revenue was RMB 178.0 billion, representing a year-on-year decrease of 0.2%. Profitability faced short-term pressure, with net profit at RMB 9.5 billion, representing a year-on-year decrease of 34.6%. The temporary profit volatility stemmed from multiple factors. In addition to value-added tax, the change in the timing of employee benefit expenses spending was an important reason. For the full year, employee benefit expenses are expected to remain stable, with profit contraction narrowing significantly[2]. Cash flow was healthy and improving, with net operating cash reaching RMB 32.9 billion, representing a year-on-year increase of 13.6%, setting a new record in recent years. The growth rate of accounts receivable slowed significantly compared to the same period last year.

Deepening institutional reform to stimulate vitality

China Unicom promoted institutional reform across the entire group, adhering to the principle of "One China Unicom" and focusing on "lean management and strong operations". The Company focused on product innovation and brand building, aimed to resolve customers' full-scenario and full-chain problems, regarded computing-network development as a key to technological innovation, strengthened the commercialisation and application of innovation achievements, and emphasised ecological cooperation and capital empowerment, building an organisational system with more scientific

[2] This forecast is made by the Company based on the current external environment and actual operational circumstances, and does not constitute a substantive commitment by the Company to investors.

institutional settings, optimised functional responsibilities, enhanced systems and mechanisms, and more efficient operational management. Following this reform, the number of management departments at the headquarters has been reduced by nearly 40%, conducive to clearing bottlenecks, streamlining hierarchies, improving efficiency, and further unleashing development vitality.

Computing power revenue increased by 13% year-on-year

The momentum of computing power accelerated its release, with revenue[3] at RMB 41.9 billion, representing a year-on-year increase of 13%. Computing power revenue accounted for 23.6% of service revenue, up by 2.7 pp year-on-year. Within this, IDC revenue increased by 11% year-on-year, and computing service revenue increased by 9% year-on-year.

Riding on the AI boom, China Unicom actively innovated on token operations. It established token pricing rules that are compatible with different models, manage data elements, and integrate connectivity and security capabilities. It enhanced the full-process operational model for token creation, transmission, cleansing, storage and application. It upgraded the UniAI MaaS platform, which has integrated over 200 mainstream LLMs, accumulated more than 500 TB of high-quality datasets, and established a "Token Supermarket" with scale, in order to enhance token value density. It launched token plans for individuals and enterprises. Focusing on key industries including manufacturing, government affairs, healthcare and education, it developed a series of AI agents with considerable application value and mature business models, tapping into new potential of subscriber value growth.

Creating differentiated advantages through product innovation

China Unicom has always taken connectivity as its greatest asset, expanding its scale, enriching its variety, and enhancing its value, with the total connectivity scale[4] exceeding 1.3 billion. The Company comprehensively promoted the new "drag-and-drop" product format, breaking through the traditional packages. Through formats like "buffet" and "à la carte", it returned the choice to subscribers, overcoming commoditised competition with differentiated products. Since the launch of the Unicom Magic Cube product over three months

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[3] Computing power revenue = computing service revenue + data centre revenue + digital smart applications revenue + cloud-AI services revenue.

[4] Total 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.

ago, it has been sold to more than 1.5 million subscribers, bringing to them a brand new service experience. Connectivity value has stabilised and improved, with the value of new subscribers higher than that of existing subscribers. The integrated penetration rate exceeded 78%, and the integrated package ARPU remained above RMB 100.

Building robust computing power network and next-generation telecommunication network with precise and efficient resource investment

Adhering to lean management, China Unicom implemented the "Six Networks" deployment, strengthened the computing power network and next-generation telecommunication network, and continuously improved return efficiency. Its capital expenditure for the first half of the year was RMB 24.1 billion.

The Company regards computing power as an engine for innovation, with the computing power investment mix rising to 37% and the absolute investment amount increasing by over 80% year-on-year. It strengthened deployment for "Eastern Data, Western Computing", deepened the integration of computing power and green electricity, built 10,000-chip intelligent computing centres, integrated into the national integrated computing power network, seizing new opportunities in the industry with new technological capabilities. Currently, over 1.15 million standard cabinets[5] have been deployed across the entire network, and the utilisation rate exceeded 74%. The "Unicom Xingluo" advanced computing power allocation platform has been given a full-stack upgrade, achieving full-domain perception, intelligent allocation and efficient collaboration of computing power across the entire network. The Company implemented industry-leading cross-region mixed training and inference on heterogeneous GPUs in large-scale production scenarios.

For mobile network, the Company have formed a coverage system with ground-space synergy and air-ground integration. A total of 4.8 million 4G/5G base stations have been built, with population coverage exceeding 99%, and 5G-A base stations covering over 330 cities. Satellite communication services such as Tiantong direct-to-device and Beidou SMS have been launched nationwide. 10G-PON broadband port ratio reached 87%, and commercial pilots of 10-gigabit optical networks have been launched in over 100 cities. A 400G all-optical intelligent computing network was built between hub nodes.

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[5] Number of standard cabinets is calculated based on 2.5 kW per cabinet.

Certain statements contained in this press release 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, the Company does 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.

For media enquiries:
China Unicom (Hong Kong) Limited
Investor Relations Department
Mr. Billy Tang / Ms. Lyndi Pang
Telephone: (852) 2121 3275 / (852) 2121 3206
Email: billy@chinaunicom.com.hk / lyndi@chinaunicom.com.hk