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**CHINA UNICOM (HONG KONG) LIMITED**  
**中國聯合網絡通信(香港)股份有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 762)**

**2024 INTERIM RESULTS, INTERIM DIVIDEND AND  
CLOSURE OF REGISTER OF MEMBERS**

**Highlights:**

- **In the first half of the year, the Company's operating revenue grew steadily, reaching RMB197.3 billion, representing a year-on-year growth of 2.9%. EBITDA<sup>1</sup> reached RMB55.0 billion, representing an increase of 2.7% year-on-year. The profit attributable to the equity shareholders of the Company reached RMB13.8 billion, growing 11.3% year-on-year.**
- **Capital expenditure was effectively controlled. In the first half of the year, capital expenditure amounted to RMB23.9 billion, down by 13.4% year-on-year.**
- **The Company attaches great importance to shareholder returns. The Board resolved to distribute an interim dividend of RMB0.2481 per share (pre-tax), representing an increase of 22.2% year-on-year, significantly higher than the growth of basic earnings per share.**

## **CHAIRMAN’S STATEMENT**

Dear Shareholders,

In the first half of 2024, China Unicom fully implemented new development concepts, bravely assumed its roles as a leading contributor of digital information operations and services and a pioneer of digital technology integration and innovation, and deeply advanced network innovation, technology innovation, and service innovation. It made steady progress in business development, continuously strengthened foundational capabilities, achieved breakthroughs in technological innovation, and made significant progress in high-quality development, thereby making new contributions to building a Cyber Superpower and Digital China.

### **OVERALL PERFORMANCE**

In the first half of the year, the Company’s operating revenue grew steadily, reaching RMB197.3 billion, representing a year-on-year growth of 2.9%. EBITDA<sup>1</sup> reached RMB55.0 billion, representing an increase of 2.7% year-on-year. Profit before income tax reached RMB16.9 billion, up by 10.4% year-on-year. The profit attributable to the equity shareholders of the Company reached RMB13.8 billion, growing 11.3% year-on-year and representing double-digit growth for 8 consecutive years, with profitability increasing year by year.

The Company focused on strengthening network-business synergy and undertook precise investment, resulting in effective control of capital expenditure. In the first half of the year, capital expenditure amounted to RMB23.9 billion, down by 13.4% year-on-year. The Company’s capital structure continued to optimise, with interest-bearing debts<sup>2</sup> decreasing by 3.8% compared to the end of last year to RMB3.05 billion, and its liabilities-to-assets ratio declined to a healthy level of 45.5%.

The Company attaches great importance to shareholder returns. The Board resolved to distribute an interim dividend of RMB0.2481 per share (pre-tax), representing an increase of 22.2% year-on-year, significantly higher than the growth of basic earnings per share, continuously enhancing shareholder returns.

## **FOCUSING ON THE MAIN RESPONSIBILITIES AND BUSINESSES AND STRENGTHENING THE POSITIVE DEVELOPMENT TREND**

The Company accelerated the expansion of its two main businesses, namely Connectivity and Communications<sup>3</sup> and Computing and Digital Smart Applications<sup>4</sup>, continuously strengthened strategic execution, and enhanced its operational revenue generation capabilities with a focus on both quantity and quality. In the first half of the year, the Company's development structure was further optimised, and the quality of development gradually improved, achieving service revenue of RMB175.7 billion, representing a year-on-year increase of 2.7%.

### **Stable growth and quality enhancement in connectivity and communications business**

In the first half of the year, the Connectivity and Communications (CC) business achieved a revenue of RMB125.1 billion, representing a year-on-year growth of 2.1%.

The Company achieved both scale and value enhancement of connectivity subscribers. First, the number of connections grew steadily, recording net addition of nearly 80 million in the first half of the year and exceeding 1 billion in total. Within that, the number of mobile subscribers recorded net addition of over 6 million to reach approximately 340 million. The net addition was a five-year high for the same period. The number of IoT connections exceeded 560 million. The number of broadband subscribers continued to grow and reached 117 million. The number of integrated subscribers exceeded 80 million. Second, subscriber structure was further optimised, with 5G package subscriber penetration reaching more than 80% and the penetration rate of gigabit broadband subscribers exceeding 25%. Remarkable achievement was made in value operation, as the ARPU of integrated subscribers reached RMB103.

The Company insisted on expanding new scenarios and creating new value with new integration. First, in terms of business integration, the integration penetration rate continued to increase, with marked improvement in development quality. Second, in terms of product integration, for individual customers, the Company created several products with revenue exceeding a billion in RMB. The subscriber scale of featured products such as Unicom Cloud Drive and Video Ringtone steadily expanded. For household customers, leveraging full-home optical fibre broadband, the Company expanded featured services such as smart home, intelligent security, and UHD content, bringing new experiences of quality upgrades to customers. Our smart enterprise full-optical networking service had nearly 300,000 SME customers. Third, in terms of terminal integration, the cumulative terminal sales exceeded 25 million units in the first half of the year. Terminal sales in the first half of the year increased by 4.3% year-on-year, driving steady growth in operating revenue. We strengthened terminal operation and financial empowerment, effectively driving the integrated development of terminals and SIM numbers, with substantial improvement in terminal sales and Unicom SIM card penetration rate.

## **Expanded growth and enhanced efficiency in computing and digital smart applications business**

Facing the transformation and upgrading needs of thousands of industries and the information consumption needs of thousands of households, the Company accelerated the deep integration of communication technology (CT), information technology (IT), data technology (DT), and operation technology (OT) with vertical industries and key scenarios, actively exploring new blue oceans in Computing and Digital Smart Applications (CDSA). In the first half of the year, CDSA business revenue reached RMB43.5 billion, representing a year-on-year increase of 6.6%.

**Computing power business grew rapidly.** In the first half of the year, Unicom Cloud<sup>5</sup> revenue achieved RMB31.7 billion, growing 24.3% year-on-year. Breakthroughs were achieved in both computing power scale and product capability, maintaining a leading position in the industry. The Company built a series of government affairs clouds, enterprise clouds and medical clouds benchmark projects. We fully commenced the AI-oriented upgrade of data centres to drive the rapid growth of AIDC business. IDC revenue growth outperformed the industry. In particular, we seized the opportunities of intelligent computing development to launch five major intelligent computing products, providing scenario-based, professional, and differentiated intelligent computing services.

**The Company's data service is leading in the industry.** In the first half of the year, data service revenue reached RMB3.2 billion, with a year-on-year growth of 8.6%. Based on large-scale data governance and service experience, **the Company actively leveraged the multiplier effect of data factors** to build government affairs big data platforms, economic operation platforms for multiple provinces and cities. **The Company actively participated in the market-oriented reform of data factors** by launching Trusted Data Resource Spaces and Unicom Data Network solutions, consolidating its data infrastructure, and collaborated with a number of partners such as local data exchanges and big data companies to actively promote public data operation model innovation.

**The Company penetrated industry scenarios and customer ecology to drive double-digit growth in digital smart applications.** In the first half of the year, digital smart application revenue reached RMB3.7 billion, representing an increase of 13.5% year-on-year. The Company actively assisted in new industrialisation. We built over 5,800 5G factories, served over 12,000 5G private network customers and implemented over 38,000 commercial projects, enhancing our brand influence in 5G+ industrial Internet. The Company actively promoted universal intelligent connectivity, with the number of standard object models on the Gewu platform reaching over a thousand, and the number of categories of connected devices exceeding ten thousand. We served over 100,000 enterprise customers. We maintained our dominant position in the factory installed IoV connection market.

**The Company fully leveraged its role as Chain Chief to drive strong growth in the cybersecurity business.** In the first half of the year, cybersecurity revenue reached RMB1.4 billion, increasing by 58.2% year-on-year. **The Company continuously enriched product offerings.** On the “Mogong” security operation service platform, over 200 cooperative products were launched, serving more than 200 government and large enterprise customers. **Leveraging the driving force of cooperation,** the “Security Hub” cloud market for industrial chain security attracted more than 100 partners and served over 10,000 small and medium-sized enterprises.

## **Accelerating international business**

In recent years, the substantial increase in the number of Chinese enterprises going abroad and outbound tourists has brought valuable opportunities for the Company to enhance its internationalised market operation. Revenue from international business in the first half of the year amounted to RMB6.0 billion, representing a year-on-year increase of 8.4%, which was mainly attributable to the higher growth rate of revenue from outbound international roaming and international mobile business, as well as the rapid growth of revenue from major products, such as global smart network, high-bandwidth leased lines, Unicom Cloud and IoT. In particular, we achieved a breakthrough in international IoT connectivity capability, with revenue increasing by 93.4% year-on-year. In June this year, the Company held a conference on internationalised development in Hong Kong and a global partner conference in Shanghai to promote stronger domestic and overseas integration synergy, further accelerate the development of international business to take a bigger step, and make every effort to become stronger, better and bigger in serving the global development.

## **THE FOUNDATION OF CAPABILITIES CONTINUED TO BE STRENGTHENED, ENHANCING CORE COMPETITIVENESS**

### **Technological innovation capabilities significantly strengthened**

The Company deeply implemented the strategy of strengthening the enterprise through technology, vigorously developing strategic emerging industries and future industries. Focusing on the three aspects of network, data, and intelligence, it stepped up R&D investment intensity (in the first half of the year, R&D investment increased by 13% year-on-year). We strengthened original and leading scientific and technological research, and formed a number of landmark achievements, such as Computing Power AI Network, Trusted Data Resource Space Platform, and UniAI, etc. In June this year, our “5G key technology and engineering application” project won the first prize of the 2023 National Science and Technology Progress Award.

**In terms of network technology innovation**, the Company focused on the next-generation Internet, and conducted research on lossless network technologies. We achieved the industry’s first 3,000-kilometer wide-area lossless transmission, with terabytes of data transmitted within minutes, meeting the needs of high-speed data transmission. We launched the Computing Power AI Network (AINet) to achieve intelligent dispatch of computing power across the whole network, supporting the effective collaboration of training and inference and ensuring the security and reliability of the whole network. Focusing on new-generation wireless communication networks, we optimised network architectures, technical systems and operation modes, made breakthroughs in 5G-A key technologies, explored the development of 6G standards, and promoted innovative applications such as satellite Internet and low-altitude intelligent networks.

**In terms of data technology innovation**, we actively implemented the “Data Factors X” action plan, deeply cultivated original big data technologies, continuously improved data governance capabilities, and continuously strengthened data security operations. We published shared artificial intelligence datasets and built a mechanism for sharing data. The “Trusted Data Resource Space” platform was launched to provide reliable infrastructure for the circulation and utilisation of data factors.

**In terms of intelligent technology innovation**, the Company actively implemented “AI+” action plan, and accelerated the formation of technology-leading proprietary and controllable capabilities to promote the integration and development of artificial intelligence with various industries. To enhance our mode capabilities, we iteratively upgraded the UniAI large model system, pushing the number of parameters from hundreds of billion to trillion. We accelerated model application and formed over 35 industry-specific large models, making initial progress in empowering areas such as urban governance, economic operations, information consumption, and industrial manufacturing.

### **Building a solid network foundation for a high-quality development**

The Company continuously strengthened new infrastructure construction, focusing on three specific networks: “Internet network, computing network, and data network”. We adhered to network and business synergy and made precise investments. CAPEX in the first half of the year was RMB 23.9 billion. The scale of investments steadily declined and investment efficiency continued to rise, laying a solid foundation for the Company’s high-quality development.

**In terms of Internet network**, the Company firstly continuously improved the coverage of its mobile Internet network. In the first half of the year, the number of 5G mid-band base stations exceeded 1.31 million and that of low-band base stations reached 780,000. The number of 4G mid-band base stations exceeded 2 million. Network core competitiveness was further strengthened. Key 5G-A technologies such as RedCap and carrier aggregation were commercially deployed in over 100 cities. Secondly, the Company accelerated the construction of high-speed broadband Internet network. It promoted the penetration and quality improvement of gigabit networks, with the proportion of 10GPON ports reaching 79%, leading the industry. The Company conducted 50GPON technical pilot projects to promote the construction of 10-gigabit cities.

**In terms of computing network**, we improved the integrated deployment across cloud, network and edge. We built intelligent computing centres with over 10,000 AI accelerators in Shanghai and Hohhot, etc, achieving total intelligent computing power of 10 EFLOPS. We deployed over 20 large computing centre parks, fully covering the hubs and nodes in “Eastern Data and Western Computing”. We accelerated the construction of the “New Eight Vertical and Eight Horizontal” national backbone network and deployed ultra-high-speed interconnection channels between computing centres, creating a high-throughput, high-performance and highly intelligent computing power AI network.

**In terms of data network**, the Company leveraged its ubiquitous connectivity edge and took advantage of its carrier network capability with flexible bandwidth from 10M to 400G, the Company has created a data service network with highly elastic bandwidth, ultra-low latency, flexible networking, and classified transmission for the circulation and application of data. Unicom Blockchain transactions per second (TPS) exceeded 100,000, ranking among the top in the industry.

## **SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE**

China Unicom continues to be guided by the new development concepts of innovation, coordination, green, openness and sharing, and takes practical actions to implement the construction of a Cyber Superpower and Digital China. China Unicom has built a sustainable development system to contribute its strength to enhancing the comprehensive value creation capability for the economy, society, and environment. We insisted on transparent and efficient communication with the market, deeply engaging with over 1,000 investors via multiple events in the first half of the year, and conducted multiple overseas roadshows, thereby actively conveying the Company's new image and new values to the domestic and international markets. We adhered to green development and deepened co-build co-share. In the first half of the year, greenhouse gas emissions were reduced by approximately 6.78 million tonnes<sup>6</sup>. Network energy efficiency continued to improve, with the comprehensive energy consumption per unit of telecommunications business volume decreasing by 6%<sup>7</sup>. We promoted the deep integration of digital technology and ecological environment to help build a beautiful China. We continuously supported rural revitalisation. The "Digital Village" service platform covered more than 250,000 administrative villages. We fulfilled social responsibilities in major events such as flood control and rescue, demonstrating its responsibility as a central SOE. We continuously improved corporate governance, and deepened integrated development with strategic investors.

The Company received multiple accolades, including ranking 279<sup>th</sup> in the Fortune Global 500 for the year 2024, being voted as "Asia's Most Honoured Telecom Company" by Institutional Investor for nine consecutive years, and being voted as the "China's Best Managed Company (Gold)" in "Asia's Best Managed Companies Poll 2024" organised by FinanceAsia.

## **OUTLOOK**

Today, we are in the midst of a new round of technological revolution led by artificial intelligence, and the future of the intelligent era has already arrived. Facing the intelligent era, China Unicom adheres to preserving integrity and innovation, continues to strengthen the construction of new infrastructure, promotes the integration and innovation of digital technologies, builds industry-leading digital intelligence capabilities and products, drives industrial innovation with computing network innovation and digital intelligence innovation, and continuously improves management and operating services, in an effort to become a world-class technology service enterprise with global competitiveness. Today's China Unicom has a more solid foundation for development, stronger development momentum and more abundant development vigour. Looking to the full year, the Company is confident in achieving steady growth in operating revenue, double-digit profit growth, and stabilising capital expenditure within RMB65 billion.

Last but not least, on behalf of the Board, I would like to express my sincere gratitude to all shareholders, customers and all sectors of society for their long-term care and support to the Company, and to all employees for their continued efforts and contributions!

**Chen Zhongyue**

*Chairman and Chief Executive Officer*

Hong Kong, 15 August 2024

*Note 1:* EBITDA represents profit for the period before finance costs, interest income, share of net profit of associates, share of net profit of joint ventures, other income — net, income tax expenses, depreciation and amortisation. As the telecommunications business is a capital-intensive industry, capital expenditure and finance costs may have a significant impact on the net profit of the companies with similar operating results. Therefore, the Company believes that EBITDA may be helpful in analysing the operating results of a telecommunications service operator like the Company. However, it is a non-GAAP financial measure which does not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies.

*Note 2:* Interest-bearing debts exclude lease liabilities.

*Note 3:* The Connectivity and Communications (CC) business includes six major segments: mobile connectivity, broadband connectivity, TV connectivity, leased line connectivity, communications service, and information service.

*Note 4:* The Computing and Digital Smart Applications (CDSA) business includes six major segments: Unicom Cloud, data centres, system integration, data services, digital smart applications, and cybersecurity.

*Note 5:* Unicom Cloud revenue represents revenue generated from cloud resources, cloud platform, cloud services, cloud integration, cloud interconnection, cloud security, etc. by integrating innovative solutions.

*Note 6:* Calculated according to the green and low-carbon coefficients for ICT industry.

*Note 7:* Calculated according to the green and low-carbon coefficients for ICT industry, comparing 1H2024 vs FY2023.



## GROUP RESULTS

China Unicom (Hong Kong) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024.

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF INCOME

*for the six months ended 30 June 2024*

**(All amounts in Renminbi (“RMB”) millions, except per share data)**

	Note	Six months ended 30 June	
		2024	2023
Revenue	5	197,341	191,833
Interconnection charges		(5,481)	(5,604)
Depreciation and amortisation		(42,361)	(42,418)
Network, operation and support expenses		(30,448)	(29,167)
Employee benefit expenses		(28,711)	(32,250)
Costs of telecommunications products sold		(21,153)	(20,272)
Other operating expenses		(56,537)	(50,994)
Finance costs		(913)	(896)
Interest income		870	1,004
Share of net profit of associates		1,307	1,213
Share of net profit of joint ventures		846	931
Other income — net		2,159	1,940
<b>Profit before income tax</b>		16,919	15,320
Income tax expenses	6	(3,083)	(2,820)
<b>Profit for the period</b>		<b>13,836</b>	<b>12,500</b>
<b>Profit attributable to:</b>			
Equity shareholders of the Company		13,793	12,391
Non-controlling interests		43	109
<b>Profit for the period</b>		<b>13,836</b>	<b>12,500</b>
<b>Earnings per share for profit attributable to equity shareholders of the Company during the period:</b>			
Basic earnings per share (RMB)	7	0.45	0.40
Diluted earnings per share (RMB)	7	0.45	0.40

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2024

(All amounts in RMB million)

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
<b>Profit for the period</b>	<u>13,836</u>	<u>12,500</u>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to statement of income:</b>		
Changes in fair value of financial assets measured at fair value through other comprehensive income (“FVOCI”) (non-recycling)	194	288
Tax effect on changes in fair value of financial assets measured at FVOCI (non-recycling)	<u>(4)</u>	<u>(4)</u>
Changes in fair value of financial assets measured at FVOCI, net of tax (non-recycling)	<u>190</u>	<u>284</u>
<b>Items that may be reclassified subsequently to statement of income:</b>		
Changes in fair value of financial assets measured at FVOCI, net of tax (recycling)	13	35
Currency translation differences	<u>23</u>	<u>183</u>
	<u>36</u>	<u>218</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>226</u>	<u>502</u>
<b>Total comprehensive income for the period</b>	<u><u>14,062</u></u>	<u><u>13,002</u></u>
<b>Total comprehensive income attributable to:</b>		
Equity shareholders of the Company	14,012	12,886
Non-controlling interests	<u>50</u>	<u>116</u>
<b>Total comprehensive income for the period</b>	<u><u>14,062</u></u>	<u><u>13,002</u></u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

(All amounts in RMB millions)

	<u>Note</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		348,616	355,995
Right-of-use assets		49,952	52,608
Goodwill		2,771	2,771
Interest in associates		44,178	44,188
Interest in joint ventures		11,084	10,240
Deferred income tax assets		2,667	817
Contract assets		64	86
Contract costs		8,684	8,493
Amounts due from related parties		67	–
Financial assets measured at fair value		4,790	5,217
Other assets		21,026	22,535
		<u>493,899</u>	<u>502,950</u>
<b>Current assets</b>			
Inventories		4,204	2,217
Contract assets		302	279
Accounts receivable	8	57,572	38,692
Prepayments and other current assets		20,635	26,208
Amounts due from ultimate holding company		6,615	4,610
Amounts due from related parties		1,064	588
Amounts due from domestic carriers		3,983	2,267
Financial assets measured at fair value		18,558	24,428
Short-term bank deposits and restricted deposits		15,069	11,079
Cash and cash equivalents		45,839	47,733
		<u>173,841</u>	<u>158,101</u>
<b>Total assets</b>		<u><u>667,740</u></u>	<u><u>661,051</u></u>

	<u>Note</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
<b>EQUITY</b>			
<b>Equity attributable to equity shareholders of the Company</b>			
Share capital		254,056	254,056
Reserves		(12,501)	(12,912)
Retained profits			
— Proposed 2024 interim dividend	9	7,591	–
— Proposed 2023 final dividend	9	–	4,088
— Others		112,444	106,242
		<u>361,590</u>	<u>351,474</u>
<b>Non-controlling interests</b>		<u>2,481</u>	<u>2,424</u>
<b>Total equity</b>		<u><u>364,071</u></u>	<u><u>353,898</u></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans		1,117	1,252
Lease liabilities		27,942	30,617
Deferred income tax liabilities		169	600
Deferred revenue		8,718	9,212
Amounts due to ultimate holding company		885	881
Other obligations		948	939
		<u>39,779</u>	<u>43,501</u>

	<u>Note</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
<b>Current liabilities</b>			
Short-term bank loans		691	681
Current portion of long-term bank loans		351	354
Lease liabilities		13,095	12,640
Accounts payable and accrued liabilities	10	160,349	161,279
Bills payable		7,417	6,275
Taxes payable		4,505	3,547
Amounts due to ultimate holding company		1,252	1,033
Amounts due to related parties		28,849	25,924
Amounts due to domestic carriers		4,325	2,959
Current portion of other obligations		2,493	2,493
Contract liabilities		40,314	46,179
Advances from customers		249	288
		<u>263,890</u>	<u>263,652</u>
<b>Total liabilities</b>		<u><u>303,669</u></u>	<u><u>307,153</u></u>
<b>Total equity and liabilities</b>		<u><u>667,740</u></u>	<u><u>661,051</u></u>
<b>Net current liabilities</b>		<u><u>(90,049)</u></u>	<u><u>(105,551)</u></u>
<b>Total assets less current liabilities</b>		<u><u>403,850</u></u>	<u><u>397,399</u></u>

## **NOTES: (All amounts in Renminbi (“RMB”) millions, except per share data)**

### **1. ORGANISATION AND PRINCIPAL ACTIVITIES**

China Unicom (Hong Kong) Limited (the “Company”) was incorporated as a limited liability company in the Hong Kong Special Administrative Region (“Hong Kong”), the People’s Republic of China (the “PRC”) on 8 February 2000. The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries are the provision of comprehensive telecommunications services. The Company and its subsidiaries are hereinafter referred to as the “Group”. The address of the Company’s registered office is 75th Floor, The Center, 99 Queen’s Road Central, Hong Kong.

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 22 June 2000.

The substantial shareholders of the Company are China Unicom (BVI) Limited (“Unicom BVI”) and China Unicom Group Corporation (BVI) Limited (“Unicom Group BVI”). The majority of equity interests in Unicom BVI is owned by China United Network Communications Limited (hereinafter referred to as “A Share Company”), a joint stock company incorporated in the PRC on 31 December 2001, with its A shares listed on the Shanghai Stock Exchange on 9 October 2002.

The directors of the Company consider Unicom BVI and China United Network Communications Group Company Limited (a state-owned enterprise established in the PRC, hereinafter referred to as “Unicom Group”) as the immediate holding company and ultimate holding company, respectively.

### **2. BASIS OF PREPARATION**

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with the applicable disclosure requirements of the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and Hong Kong Accounting Standard 34 (“HKAS 34”), “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 have not been audited, but have been reviewed by the Company’s Audit Committee. They have also been reviewed by the Company’s auditor in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023. The Group’s policies on financial risk management, including management of market risk, credit risk and liquidity risk, as well as capital risk management, were set out in the financial statements included in the Company’s 2023 Annual Report and there have been no significant changes in any financial risk management policies for the six months ended 30 June 2024.

The financial information relating to the year ended 31 December 2023 that is included in these unaudited condensed consolidated interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

**(a) Going Concern Assumption**

As at 30 June 2024, current liabilities of the Group exceeded current assets by approximately RMB90.0 billion (31 December 2023: approximately RMB105.6 billion). Considering the current economic conditions and taking into account of the Group's expected capital expenditures in the foreseeable future, management has comprehensively considered the Group's available sources of funds as follows:

- The Group's continuous net cash inflow from operating activities;
- Approximately RMB250.9 billion of revolving banking facilities of which approximately RMB240.6 billion was unutilised as at 30 June 2024; and
- Other available sources of financing from domestic banks and other financial institutions in view of the Group's good credit history.

In addition, the Group believes that it has the ability to raise funds from the short, medium and long-term perspectives and maintain reasonable financing costs through appropriate financing portfolio.

Based on the above considerations, the Board of Directors is of the opinion that the Group has sufficient funds to meet its working capital commitments, expected capital expenditure and debt obligations. As a result, the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024 have been prepared on a going concern basis.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair values.

Other than the changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated interim financial statements are the same as those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2023.

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 16, “Lease Liability in a Sale and Leaseback”
- Amendments to HKAS 1, “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5 (2020)
- Amendments to HKAS 1, “Non-current Liabilities with Covenants”
- Amendments to HKAS 7 and HKFRS 7, “Supplier Finance Arrangements”

The application of the amendments to HKFRSs in the current interim period has had no material effect on how the Group’s results and financial positions for the current or prior periods have been prepared or presented in these unaudited condensed consolidated interim financial statements.

### **4. SEGMENT INFORMATION**

The Executive Directors of the Company have been identified as the Chief Operating Decision Maker (the “CODM”). Operating segments are identified on the basis of internal reports that the CODM reviews regularly in allocating resources to segments and in assessing their performances.

The CODM makes resources allocation decisions based on internal management functions and assesses the Group’s business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

The Group primarily operates in Mainland China and accordingly, no geographic information is presented. No revenue from a single customer accounted for 10 percent or more of the Group’s revenue in all periods presented.



## 5. REVENUE

Revenue from telecommunications services are subject to value-added tax (“VAT”) at VAT rates applicable to various telecommunications services. The VAT rates for basic telecommunications services and value-added telecommunications services are 9% and 6%, respectively, while VAT rate for sales of telecommunications products is 13%. Basic telecommunications services include business activities for the provision of voice services, and transmission lines usage and associated services etc. Value-added telecommunications services include business activities for the provision of short message service and multimedia message service, broadband and mobile data services, and data and internet application services etc. VAT is excluded from the revenue.

Disaggregation of revenue by services and products:

	Six months ended 30 June	
	2024	2023
Total service revenue	175,656	171,045
Sales of telecommunications products	21,685	20,788
Total	<u>197,341</u>	<u>191,833</u>

## 6. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% (for the six months ended 30 June 2023: 16.5%) on the estimated assessable profits for the six months ended 30 June 2024. Taxation on profits outside Hong Kong has been calculated on the estimated assessable profits for the six months ended 30 June 2024 at the rates of taxation prevailing in the jurisdictions in which the Group operates. The Company’s subsidiaries operate mainly in Mainland China and the applicable statutory enterprise income tax rate is 25% (for the six months ended 30 June 2023: 25%). Taxation for certain subsidiaries in Mainland China was calculated at a preferential tax rate of 15% (for the six months ended 30 June 2023: 15%).

	Six months ended 30 June	
	2024	2023
Provision for estimated taxable profits for the period		
— Hong Kong profits tax	38	41
— Mainland China and other jurisdictions income tax	5,228	4,648
Under/(over) tax provision in respect of prior years	72	(12)
	<u>5,338</u>	<u>4,677</u>
Deferred taxation	<u>(2,255)</u>	<u>(1,857)</u>
Income tax expenses	<u>3,083</u>	<u>2,820</u>

## 7. EARNINGS PER SHARE

Basic earnings per share for the six months ended 30 June 2024 and 2023 were computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the periods.

Diluted earnings per share for the six months ended 30 June 2024 and 2023 were computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the periods, after adjusting for the effects of dilutive potential ordinary shares. There were no dilutive potential ordinary shares for the six months ended 30 June 2024 and 2023.

The following table sets forth the computation of basic and diluted earnings per share:

	Six months ended 30 June	
	2024	2023
Numerator (in RMB millions):		
Profit attributable to equity shareholders of the Company used in computing basic/diluted earnings per share	13,793	12,391
Denominator (in millions):		
Number of ordinary shares outstanding used in computing basic/diluted earnings per share	30,598	30,598
Basic/Diluted earnings per share (in RMB)	0.45	0.40

## 8. ACCOUNTS RECEIVABLE

The aging analysis of accounts receivable, based on the billing date and net of credit loss allowance, is as follows:

	30 June 2024	31 December 2023
Within one month	17,293	12,429
More than one month but not more than three months	11,672	7,524
More than three months but not more than one year	22,442	15,024
More than one year	6,165	3,715
	57,572	38,692

The normal credit period granted by the Group to individual subscribers and general corporate customers is thirty days from the date of billing unless they meet certain specified credit assessment criteria. For major corporate customers, the credit period granted by the Group is based on the service contract terms, normally not exceeding one year.

There is no significant concentration of credit risk with respect to customers receivables, as the Group has a large number of customers.

## 9. DIVIDENDS

At the annual general meeting held on 30 May 2024, the shareholders of the Company approved the payment of a final dividend of RMB0.1336 per ordinary share for the year ended 31 December 2023, totalling approximately RMB4,088 million (for the six months ended 30 June 2023: final dividend of RMB0.109 per ordinary share for the year ended 31 December 2022, totalling approximately RMB3,335 million) which has been reflected as a reduction of retained profits for the six months ended 30 June 2024.

At a meeting held on 15 August 2024, the Board of Directors of the Company declared 2024 interim dividend of RMB0.2481 per ordinary share to the shareholders totalling approximately RMB7,591 million (for the six months ended 30 June 2023: 2023 interim dividend of RMB0.203 per ordinary share to the shareholders totalling approximately RMB6,211 million).

Pursuant to the PRC enterprise income tax law, a 10% withholding enterprise income tax is levied on dividends declared on or after 1 January 2008 by foreign investment enterprises to their foreign enterprise shareholders unless the enterprise investor is deemed as a PRC Tax Resident Enterprise (“TRE”). On 11 November 2010, the Company obtained an approval from State Taxation Administration of the PRC, pursuant to which the Company qualifies as a PRC TRE from 1 January 2008. Therefore, as at 30 June 2024 and 31 December 2023, the Company’s subsidiaries in the PRC did not accrue for withholding enterprise income tax on dividends distributed to the Company and there has been no deferred tax liability accrued in the Group’s unaudited condensed consolidated interim financial statements for the undistributed profits of the Company’s subsidiaries in the PRC.

For the Company’s non-PRC TRE shareholders (including HKSCC Nominees Limited), the Company would distribute dividends after deducting the amount of enterprise income tax payable by these non-PRC TRE shareholders thereon and reclassify the related dividend payable to withholding enterprise income tax payable upon the declaration of such dividends. The requirement to withhold tax does not apply to the Company’s shareholders appearing as individuals in its share register.

## 10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The aging analysis of accounts payable and accrued liabilities based on the billing date is as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Less than six months	139,812	137,565
Six months to one year	7,480	7,803
More than one year	13,057	15,911
	<u>160,349</u>	<u>161,279</u>

## 11. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

After the end of the reporting period, the Board of Directors declared an interim dividend. For details, please refer to Note 9.

## FINANCIAL OVERVIEW

### I. OVERVIEW

In the first half of 2024, the Company fully implemented the new development philosophy, bravely acting as the role of the leading contributor of digital information operation and services and the pioneer of digital technology integration and innovation, deeply promote network innovation, technological innovation and service innovation, business development were steadily progressing. Total revenue was RMB197.34 billion, up by 2.9% year-on-year. Profit attributable to equity shareholders of the Company was RMB13.79 billion, up by 11.3% year-on-year.

In the first half of 2024, the Company's net cash flow from operating activities was RMB29.29 billion. Capital expenditure was RMB23.90 billion. Liabilities-to-assets ratio was 45.5% as at 30 June 2024, keep within reasonable range.

### II. REVENUE

In the first half of 2024, the Company's revenue steadily improved, it reached RMB197.34 billion, up by 2.9% year-on-year, of which, service revenue was RMB175.66 billion, up by 2.7% year-on-year due to continuous optimisation of the revenue mix.

The table below sets forth the Company's service revenue of the two main types of business for the first half of 2024 and 2023:

(RMB in billions)	First half of 2024		First half of 2023	
	Total amount	Mix proportion	Total amount	Mix proportion
Connectivity and Communications business revenue <sup>1</sup>	125.06	74.2%	122.55	75.0%
Computing and Digital Smart Applications business revenue <sup>1</sup>	43.54	25.8%	40.83	25.0%

#### 1. Connectivity and Communications business revenue

In the first half of 2024, revenue from Connectivity and Communications business was RMB125.06 billion, up by 2.1% year-on-year.

#### 2. Computing and Digital Smart Applications business revenue

In the first half of 2024, revenue from Computing and Digital Smart Applications business was RMB43.54 billion, up by 6.6% year-on-year.

### III. OPERATING COSTS

In the first half of 2024, total operating costs amounted to RMB184.69 billion, up by 2.2% year-on-year.

The table below sets forth the items of the operating costs and the changes in their respective percentage of the revenue for the first half of 2024 and 2023:

(RMB in billions)	First half of 2024		First half of 2023	
	Total amount	As a percentage of revenue	Total amount	As a percentage of revenue
<b>Operating costs</b>	184.69	93.6%	180.70	94.2%
Include: Interconnection charges	5.48	2.8%	5.60	2.9%
Depreciation and amortisation	42.36	21.5%	42.42	22.1%
Network, operation and support expenses	30.45	15.4%	29.17	15.2%
Employee benefit expenses	28.71	14.5%	32.25	16.8%
Costs of telecommunications products sold	21.15	10.7%	20.27	10.6%
Selling and marketing expenses	17.73	9.0%	17.32	9.0%
General and administrative expenses	2.29	1.2%	2.37	1.2%
Other operating expenses	36.52	18.5%	31.30	16.3%

#### 1. Interconnection charges

The interconnection charges were RMB5.48 billion in the first half of 2024, down by 2.2% year-on-year and, as a percentage of revenue, decreased from 2.9% in the first half 2023 to 2.8% in the first half of 2024.

#### 2. Depreciation and amortisation

Mainly benefiting from the Company's precision investment, network "co-build co-share" and optimisation work in recent years, depreciation and amortisation charges were RMB42.36 billion in the first half of 2024, down by 0.1% year-on-year and, as a percentage of revenue, decreased from 22.1% in the first half of 2023 to 21.5% in the first half of 2024.

### **3. Network, operation and support expenses**

Due to reasons such as the expansion of the Company's network sharing scale, the Company's network, operation and support expenses were RMB30.45 billion in the first half of 2024, up by 4.4% year-on-year and, as a percentage of revenue, increased from 15.2% in the first half of 2023 to 15.4% in the first half of 2024.

### **4. Employee benefit expenses**

The Company's employee benefit expenses were RMB28.71 billion in the first half of 2024, down by 11.0% year-on-year and, as a percentage of revenue, decreased from 16.8% in the first half of 2023 to 14.5% in the first half of 2024.

### **5. Cost of telecommunications products sold**

Costs of telecommunications products sold were RMB21.15 billion and revenue from sales of telecommunications products were RMB21.68 billion in the first half of 2024. Gross profits on sales of telecommunications products was RMB0.53 billion.

### **6. Selling and marketing expenses**

The Company continuously enhanced selling and market expenses' quality and efficiency and simultaneously increased investment to ensure market attractiveness, selling and marketing expenses were RMB17.73 billion in the first half of 2024, up by 2.4% year-on-year and, as a percentage of revenue was basically the same as 9.0%.

### **7. General and administrative expenses**

General and administrative expenses were RMB2.29 billion in the first half of 2024, down by 3.4% year-on-year and, as a percentage of revenue was basically the same as 1.2%.

### **8. Other operating expenses**

The Company's other operating expenses were RMB36.52 billion in the first half of 2024, up by 16.7% year-on-year and, as a percentage of revenue, increased from 16.3% in the first half of 2023 to 18.5% in the first half of 2024.

#### IV. EARNINGS

(RMB in billions)	First half of	First half of	Change
	2024	2023	
	<u>Total amount</u>	<u>Total amount</u>	
Operating profits	12.65	11.13	13.7%
Net interest (expenses)/income	(0.04)	0.11	-139.8%
Share of net profit of associates	1.31	1.21	7.7%
Share of net profit of joint ventures	0.84	0.93	-9.1%
Other income-net	2.16	1.94	11.3%
Profit before income tax	16.92	15.32	10.4%
Income tax expenses	3.08	2.82	9.3%
Profit for the period	13.84	12.50	10.7%
Include: the profit attributable to equity shareholders of the Company	13.79	12.39	11.3%

##### 1. Profit before income tax

In the first half of 2024, the Company continuously enhanced its profitability, profit before income tax was RMB16.92 billion, up by 10.4% year-on-year.

##### 2. Income tax expenses

In the first half of 2024, the Company's income tax expenses was RMB3.08 billion and the effective tax rate was 18.2%.

##### 3. The profit attributable to equity shareholders of the Company

In the first half of 2024, the profit attributable to equity shareholders of the Company was RMB13.79 billion, up by 11.3% year-on-year. Basic earnings per share was RMB0.451, up by 11.3% year-on-year.

#### V. EBITDA<sup>2</sup>

In the first half of 2024, the Company's EBITDA was RMB55.01 billion, up by 2.7% year-on-year. EBITDA as a percentage of service revenue was basically the same as 31.3%.

## VI. CAPITAL EXPENDITURE AND CASH FLOW

In the first half of 2024, the Company fully strengthened network industry collaboration and precision investment, achieved an effective control in capital expenditure. Capital expenditure of the Company totaled RMB23.90 billion. In the first half of 2024, the Company's net cash flow from operating activities was RMB29.29 billion. Free cash flow<sup>3</sup> was RMB5.39 billion after the deduction of the capital expenditure for the period.

## VII. BALANCE SHEET

The Company's total assets increased from RMB661.05 billion as at 31 December 2023 to RMB667.74 billion as at 30 June 2024. Total liabilities decreased from RMB307.15 billion as at 31 December 2023 to RMB303.67 billion as at 30 June 2024. The liabilities-to-assets ratio was 45.5% as at 30 June 2024, down by 1.0 percentage points compared with 31 December 2023. The debt-to-capitalisation ratio decreased from 11.6% as at 31 December 2023 to 10.8% as at 30 June 2024. The net debt-to-capitalisation ratio was -0.4% as at 30 June 2024.

*Note 1:* Connectivity and Communications business revenue is the sum of relevant amounts in various types of service revenue, including voice usage and monthly fees RMB10.31 billion, broadband and mobile data services RMB77.23 billion, data and internet application services RMB8.43 billion, other value-added services RMB15.19 billion, transmission lines usage and associated services RMB12.42 billion and other services RMB1.48 billion. Computing and Digital Smart Applications business revenue consists of service revenue related to data and internet application services RMB43.54 billion. In addition to the above two business revenue, other business service revenue was RMB7.06 billion.

*Note 2:* EBITDA represents profit for the period before finance costs, interest income, shares of net profit of associates, share of net profit of joint ventures, other income-net, income tax expense, depreciation and amortisation. As the telecommunications business is a capital intensive industry, capital expenditure and finance costs may have a significant impact on the net profit of the companies with similar operating results. Therefore, the Company believes that EBITDA may be helpful in analysing the operating results of a telecommunications service operator like the Company. However, it is a non-GAAP financial measure which does not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies.

*Note 3:* Free cash flow represents operating cash flow less capital expenditure. However, it is a non-GAAP financial measure which does not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies.



## **COMPLIANCE WITH APPENDIX D2 OF THE LISTING RULES**

According to paragraph 40 of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), save as disclosed herein, the Company confirmed that the current company information in relation to those matters set out in paragraph 32 of Appendix D2 has not changed materially from the information disclosed in the Company’s 2023 Annual Report.

## **REPURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY**

For the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had repurchased, sold or redeemed any of the Company’s listed shares.

## **AUDIT COMMITTEE**

The Audit Committee, together with the management and the auditor of the Company, Deloitte Touche Tohmatsu, have reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including the review of interim financial information for the six months ended 30 June 2024.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Board is committed to maintaining high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of the Company’s business. The Company has complied with the principles and the code provisions in Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2024, except for the following:

The roles and responsibilities of the Chairman and the Chief Executive Officer of the Company were performed by the same individual for the six months ended 30 June 2024. The Company considers that, as all major decisions are made by the Board and relevant Board Committees after discussion, through supervision by the Board and the independent non-executive Directors together with effective internal control mechanism, the Company has achieved a balance of power and authority. In addition, the same individual performing the roles of the Chairman and the Chief Executive Officer can enhance the Company’s efficiency in decision-making and execution, effectively capturing business opportunities. In addition, Mr. Chen Zhongyue, the Chairman of the Company, was unable to attend the annual general meeting of the Company convened on 30 May 2024 due to other important work arrangement. The Company attaches high regards on the annual general meeting which provides an opportunity for direct communication between the Board and the shareholders of the Company. Therefore, the Chairman of the Company has appointed another executive Director to chair the said annual general meeting and answer the questions raised by the shareholders.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (“Model Code”), as set out in Appendix C3 to the Listing Rules to govern securities transactions by directors. Further to the specific enquiries made by the Company to the directors, all directors have confirmed their compliance with the Model Code for the six months ended 30 June 2024.

## **CLOSURE OF REGISTER OF MEMBERS**

The Board of Directors of the Company declared an interim dividend for 2024 (pre-tax) (the “2024 Interim Dividend”) of RMB0.2481 per share (equivalent to HK\$0.27043 per share, the relevant exchange rate was the mid-rate of RMB to Hong Kong dollars (RMB0.91743 equivalent to HK\$1.00)) as announced by the People’s Bank of China on 13 August 2024 (being the second business day prior to the Board declared the 2024 Interim Dividend) to shareholders of the Company (the “Shareholders”).

For the purpose of ascertaining the Shareholders’ rights to be entitled to the 2024 Interim Dividend, the register of members of the Company will be closed. Details of such closures are set out below:

Latest time to lodge transfer documents for registration	4:30 p.m. of 5 September 2024
Closure of register of members	6 September 2024
Interim Dividend Record date	6 September 2024

During the above closure period, no transfer of shares of the Company will be registered. In order to be entitled to the 2024 Interim Dividend, Shareholders who have not registered the transfer documents are required that all transfers, accompanied by the relevant certificates, must be lodged with the Company’s Share Registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, by no later than the aforementioned latest time. The 2024 Interim Dividend is expected to be paid in Hong Kong dollars on or about 25 September 2024 to those members registered in the Company’s register of members as at 6 September 2024 (the “Interim Dividend Record Date”).

## **WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISES IN RESPECT OF 2024 INTERIM DIVIDEND**

Pursuant to (i) the “Notice Regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management” (the “Notice”) issued by the State Taxation Administration of the People’s Republic of China (the “STA”); (ii) the “Enterprise Income Tax Law of the People’s Republic of China” (the “Enterprise Income Tax Law”) and the “Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China” (the “Implementation Rules”); and (iii) information obtained from the STA, the Company is required to withhold and pay enterprise income tax when it pays the 2024 Interim Dividend to its non-resident enterprise shareholders. The enterprise income tax is 10% on the amount of dividend paid to non-resident enterprise shareholders (the “Enterprise Income Tax”), and the withholding and payment obligation lies with the Company.

As a result of the foregoing, in respect of any shareholders whose names appear on the Company's register of members on the Interim Dividend Record Date and who are not individuals (including HKSCC Nominees Limited, other custodians, corporate nominees and trustees such as securities companies and banks, and other entities or organisations), the Company will distribute the 2024 Interim Dividend payable to them after deducting the amount of Enterprise Income Tax payable on such dividend. Investors who invest in the shares in the Company listed on the Main Board of The Stock Exchange of Hong Kong Limited through the Shanghai Stock Exchange or Shenzhen Stock Exchange (the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect investors) are investors who hold shares through HKSCC Nominees Limited, and in accordance with the above requirements, the Company will pay to HKSCC Nominees Limited the amount of the 2024 Interim Dividend after deducting the amount of Enterprise Income Tax payable on such dividend.

In respect of any shareholders whose names appear on the Company's register of members on the Interim Dividend Record Date and who are individual shareholders, there will be no deduction of Enterprise Income Tax from the dividend that such shareholder is entitled to.

Shareholders who are not individual shareholders listed on the Company's register of members and who (i) are resident enterprises of the People's Republic of China (the "PRC") (as defined in the Enterprise Income Tax Law), or (ii) are enterprises deemed to be resident enterprises of the PRC in accordance with the Notice, and who, in each case, do not desire to have the Company withhold Enterprise Income Tax from their 2024 Interim Dividend, should lodge with the Company's Share Registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, at or before 4:30 p.m. of 5 September 2024, and present the documents from such shareholder's governing tax authority within the territory of the PRC confirming that the Company is not required to withhold and pay Enterprise Income Tax in respect of the dividend that such shareholder is entitled to.

If anyone would like to change the identity of the holders in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the Enterprise Income Tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government agencies and adhere strictly to the information set out in the Company's register of members on the Interim Dividend Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims, arising from any delay in, or inaccurate determination of, the status of the shareholders, or any disputes over the mechanism of withholding and payment of Enterprise Income Tax.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The 2024 interim results announcement is published on the Company's website at [www.chinaunicom.com.hk](http://www.chinaunicom.com.hk) and the website of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") at [www.hkexnews.hk](http://www.hkexnews.hk). The 2024 interim report will be available on the websites of the Hong Kong Stock Exchange and the Company, and will be dispatched to the shareholders in due course.

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this announcement 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.

By Order of the Board of  
**China Unicom (Hong Kong) Limited**  
**Chen Zhongyue**  
*Chairman and Chief Executive Officer*

Hong Kong, 15 August 2024

As at the date of this announcement, the Board of Directors of the Company comprises:

Executive directors:	Chen Zhongyue, Jian Qin, Wang Junzhi and Li Yuzhuo
Independent non-executive directors:	Cheung Wing Lam Linus, Chung Shui Ming Timpson, Law Fan Chiu Fun Fanny and Fan Chun Wah Andrew