

# PERFORMANCE HIGHLIGHTS

## FINANCIAL HIGHLIGHT (RMB billions)

	2024	2023	Change YoY
Operating Revenue	389.59	372.60	4.6%
Service Revenue	345.98	335.17	3.2%
Of which: Connectivity and Communications business revenue <sup>1,2</sup>	261.33	257.45	1.5%
Computing and Digital Smart Applications business revenue <sup>3</sup>	82.49	75.25	9.6%
Net Profit <sup>4</sup>	20.61	18.73	10.1%
Basic EPS (RMB)	0.674	0.612	10.1%
Dividend per share <sup>5</sup> (RMB)	0.4043	0.3366	20.1%

Note 1: Connectivity and Communications business includes six major categories: mobile connectivity, broadband connectivity, TV connectivity, leased line connectivity, communications service, and information service.

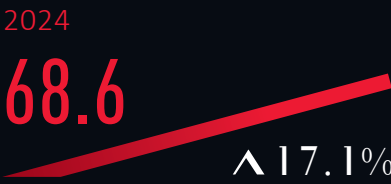
Note 2: From 2024 onwards, interconnection revenue is classified as Connectivity and Communications business revenue based on its business attributes during revenue analysis, and relevant data in 2023 are presented on the same basis.

Note 3: Computing and Digital Smart Applications business includes six major categories: Unicom Cloud, IDC, system integration, data services, intelligence services and cybersecurity.

Note 4: Net profit represented profit attributable to equity shareholders of the Company.

Note 5: The proposed 2024 final dividend of RMB0.1562 per share is subject to approval by the shareholders at the annual general meeting. Together with the interim dividend of RMB0.2481 per share already paid, total dividend for the year is RMB0.4043 per share.

## UNICOM CLOUD<sup>1</sup> REVENUE (RMB BIL)



## DATA CENTRE REVENUE (RMB BIL)



## INTELLIGENCE SERVICES REVENUE (RMB BIL)



## DATA SERVICES REVENUE (RMB BIL)



1. 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

# BUSINESS OVERVIEW

In 2024, China Unicom actively served the national strategy, accelerated the progress of crucial tasks such as innovation-driven development, open integration, enterprise reform, and system establishment. The Company has accelerated breakthroughs in key bottlenecks such as technological research and foundational management. The Company adhered to the guiding principle of seeking progress while maintaining stability, with overall business and operations showing a positive trend, improved structure, enhanced quality, and strengthened momentum for high-quality development.



The supporting effect of Connectivity and Communications (CC) business has become more prominent. Firstly, the Company made every effort to stabilise operations and promote development, achieving positive progress in coordinating effective quality enhancement and reasonable quantity growth. Secondly, the Company adhered to new integration as the key tactic to promote scale development and value enhancement. Its mobile connectivity and broadband connectivity experienced steady growth, with FTTR, where the Company maintained an industry-leading market share, becoming the primary driver of revenue growth. Its mobile billing subscriber scale exceeded 340 million, with a cumulative net addition of 10.68 million. Its fixed-line broadband subscriber scale exceeded 120 million, with a cumulative net addition of 8.84 million. Both mobile and broadband subscriber scales reached historical

highs. Thirdly, the Company made innovative breakthroughs in TV connectivity and information services. The subscriber base for key products such as Unicom UHD, Unicom Cloud Drive, and Unicom Housekeeper continuously increased and led to significant revenue growth. To facilitate the upgrade of digital consumption and achieve product integration with cloud, AI, security, and communication, the Company launched new products such as Unicom Cloud Phone, Unicom Cloud Computer, Unicom Security Manager, and Unicom Family V-Net. Fourthly, the scale of Internet of Things (IoT) connections increased rapidly, with more than 620 million IoT connections and the scale of 5G IoT business led the industry. The scale of Internet of Vehicles (IoV) connections exceeded 76 million, ranking first in the industry.



## BUSINESS OVERVIEW

**The development capabilities of Computing and Digital Smart Applications (CDSA) business have been continuously strengthened. Firstly, Unicom Cloud's market share in key areas such as government clouds, medical clouds, and SOEs' cloudification continued to expand,** creating over a thousand self-developed cloud benchmark projects. Unicom Cloud's cloud resource pool experienced rapid growth with doubled sale scale. Key products such as Video Cloud and Cloud Desktop tripled in sales year-on-year. **Secondly, the Company seized the development opportunities of artificial intelligence and the national "Eastern Data and Western Computing" strategy,** deeply cultivating industry markets in the data centre business and driving the increase in business share of data centre. **Thirdly, the Company's data service revenue maintained rapid growth,** the big data market share among operators and leading for 6 consecutive years. China Unicom was the first in the industry to launch the Union Data Network and Trusted Data Resource Space products, actively positioning itself for data factor reform. **Fourthly, the Company achieved remarkable results in the scale development of digital smart applications,** implementing over 40,000 5G industry application projects, serving over 16,000 5G private network customers, and cumulatively building over 7,100 5G factories. The Company continuously enriched its supply of professional, specialised, digital and intelligent application products, with over 50 self-developed application products which generated revenue in excess of

RMB100 million. It upgraded its 5G industry private network product system to version 4.0, and created over 10 5G RedCap industry terminals. The Gewu Unilink industrial internet platform became one of the first national-level Class A "dual-cross" platforms. **Fifthly, in terms of cybersecurity, the Company upgraded the "component + platform + service" new security operation service model based on the "Mogong" platform with Unicom's distinctiveness.** Focusing on key areas such as urban security operations and SOEs, it successfully implemented over a hundred benchmark projects. The "Mogong" product was selected in the first list of projects for the Application Expansion Project of Central State-Owned Enterprises by the State-owned Assets Supervision and Administration Commission of the State Council, being the only product selected in the security field nationwide. **Sixthly, the Company accelerated its development in the field of artificial intelligence,** with its general large models ranking among the top five in 17 international mainstream benchmarks. Its Retrieval Augmented Generation (RAG) and AI agents received the highest ratings from the China Academy of Information and Communications Technology (CAICT). It has built 37 industry large models and created over a hundred application cases. Among them, the industry models in four sectors, namely government service hotlines, public security, economic operation, and cultural heritage and innovation have achieved large-scale replication.

**The Company's high-quality network capability continuously enhanced.** The Company continuously promoted the construction of mobile premium networks, broadband premium networks, and government & enterprise premium networks, establishing a solid capability foundation for CDSA. The Company focused on enhancing its core competitiveness, sustainable development capacity, and value creation ability, driving network quality to a new level and further solidifying the network foundation for China Unicom's high-quality development. **Firstly, the Company implemented the "signal upgrade" strategy by comprehensively promoting low-band sharing.** The Company had 1.375 million 5G mid-band shared base stations and 700,000 900MHz low-band base stations. The mobile network coverage rate in administrative villages achieved 99%. **Secondly, the Company continued to enhance gigabit optical network coverage,** with the number of broadband ports exceeding 280 million. It largely

completed the deployment of 10G PON in developed towns and above regions, with the proportion of 10G PON ports increasing by 8.3 percentage points to 81.7%, leading the industry. **Thirdly, the Company actively constructed multi-level computing power supply.** Its IDCs fully covered the "Eastern Data and Western Computing" hub nodes, with significantly enhanced AI compatibility in core regions. The total number of cabinets exceeded 420,000, with AI-compatible power reserve increasing rapidly to 270 MW. Intelligent computing capacity exceeding 17 EFLOPS, and the cloud pools covered more than 270 cities. **Fourthly, the Company continued to improve its international network deployment,** with international submarine cable capacity exceeding 100T, international Internet outbound capacity at 5.72T, and inbound bandwidth at 6T. International roaming covered 663 operators in 264 countries and regions.



# FINANCIAL OVERVIEW

## OVERVIEW

In 2024, the Company adhered to the general principal of making progress while maintaining stability, its production and operation overall demonstrated a favorable and high-quality development trend coupled with optimised structure, improved quality and enhanced momentum. Total revenue was RMB389.59 billion in 2024, up by 4.6% year-on-year. Service revenue reached RMB345.98 billion, up by 3.2% year-on-year. The profit attributable to equity shareholders of the Company was RMB20.61 billion, up by 10.1% year-on-year.

In 2024, the Company's net cash flow from operating activities was RMB89.40 billion. Capital expenditure was RMB61.37 billion. Liabilities-to-assets ratio was 45.8% as at 31 December 2024.

**SERVICE REVENUE**  
(RMB BIL)

345.98



## REVENUE

In 2024, the Company's revenue was RMB389.59 billion, up by 4.6% year-on-year, of which, service revenue was RMB345.98 billion, up by 3.2% 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 years of 2024 and 2023:

(RMB in billions)	2024		2023	
	Total amount	Mix proportion	Total amount	Mix proportion
Connectivity and Communications business revenue	261.33	76.0%	257.45	77.4%
Computing and Digital Smart Applications business revenue	82.49	24.0%	75.25	22.6%

### Connectivity and Communications business revenue<sup>1</sup>

In 2024, revenue from Connectivity and Communications business was RMB261.33 billion, up by 1.5% year-on-year.

### Computing and Digital Smart Applications business revenue<sup>1</sup>

In 2024, revenue from Computing and Digital Smart Applications business was RMB82.49 billion, up by 9.6% year-on-year.

**CONNECTIVITY  
AND COMMUNICATIONS  
BUSINESS REVENUE**  
(RMB BIL)

261.33

**COMPUTING AND DIGITAL  
SMART APPLICATIONS  
BUSINESS REVENUE**  
(RMB BIL)

82.49

## FINANCIAL OVERVIEW

### OPERATING COSTS

In 2024, total operating costs of the Company amounted to RMB373.56 billion, up by 4.5% year-on-year.

The table below sets forth the items of the Company's operating costs and the changes in their respective percentage of the revenue for the years of 2024 and 2023:

(RMB in billions)	2024		2023	
	Total amount	As a percentage of revenue	Total amount	As a percentage of revenue
<b>Operating costs</b>	<b>373.56</b>	<b>95.9%</b>	357.63	96.0%
Include: Interconnection charges	11.22	2.9%	11.29	3.0%
Depreciation and amortisation	83.39	21.4%	84.85	22.8%
Network, operation and support expenses	64.32	16.5%	60.03	16.1%
Employee benefit expenses	64.93	16.7%	62.94	16.9%
Costs of telecommunications products sold	42.47	10.9%	36.40	9.8%
Selling and marketing expenses	36.98	9.5%	35.83	9.6%
General and administrative expenses	5.12	1.3%	5.53	1.5%
Other operating expenses	65.13	16.7%	60.76	16.3%



#### Interconnection charges

The interconnection charges were RMB11.22 billion in 2024, down by 0.6% year-on-year and, as a percentage of revenue, decreased from 3.0% in 2023 to 2.9% in 2024.

#### Depreciation and amortisation

Mainly benefiting from precise investment, network “co-build co-share” and optimisation work in recent years, depreciation and amortisation charges were RMB83.39 billion in 2024, down by 1.7% year-on-year and, as a percentage of revenue, decreased from 22.8% in 2023 to 21.4% in 2024.

#### Network, operation and support expenses

In 2024, the Company has firmly fulfilling its mission and responsibility in building a cyber-superpower and digital China. By strengthening network-industry collaboration, it drove the aggregation of network resources towards foundational key sectors and strategically positioned regions. Due to the expanding scale of network, the network, operation and support expenses were RMB64.32 billion in 2024, up by 7.2% year-on-year and, as a percentage of revenue, increased from 16.1% in 2023 to 16.5% in 2024.

#### Employee benefit expenses

In 2024, The Company deeply implemented of talent-based corporate development and continuously optimised the human resources efficiency. Employee benefit expenses were RMB64.93 billion in 2024, up by 3.2% year-on-year and, as a percentage of revenue, decreased from 16.9% in 2023 to 16.7% in 2024.

#### Costs of telecommunications products sold

Costs of telecommunications products sold were RMB42.47 billion and revenue from sales of telecommunications products were RMB43.61 billion in 2024. Gross profits on sales of telecommunications products was RMB1.14 billion.

#### Selling and marketing expenses

The Company deepened its efforts to enhance quality and efficiency improvements, with selling and marketing expenses growth remaining commensurate with revenue growth. Selling and marketing expenses were RMB36.98 billion in 2024, up by 3.2% year-on-year and, as a percentage of revenue, decreased from 9.6% in 2023 to 9.5% in 2024.

#### General and administrative expenses<sup>2</sup>

In 2024, the Company deepened its efforts to enhance quality and efficiency and continue to improve the resource allocation efficiency. General and administrative expenses were RMB5.12 billion in 2024, down by 7.4% year-on-year and, as a percentage of revenue, decreased from 1.5% in 2023 to 1.3% in 2024.

#### Other operating expenses

Other operating expenses were RMB65.13 billion in 2024, up by 7.2% year-on-year and, as a percentage of revenue, increased from 16.3% in 2023 to 16.7% in 2024, primarily due to the Company's continued efforts in promoting the development of its Computing and Digital Smart Applications business, which attributable to an increase in project costs associated with the Computing and Digital Smart Applications business.

## FINANCIAL OVERVIEW

## EARNINGS

(RMB in billions)	2024	2023	Change
	Total amount	Total amount	
Operating profits	16.03	14.97	7.1%
Net interest income	0.20	0.12	58.6%
Share of net profit of associates	2.59	2.52	2.9%
Share of net profit of joint ventures	1.48	1.80	-17.9%
Other income-net	4.95	3.53	40.1%
Profit before income tax	25.25	22.95	10.1%
Income tax expenses	4.52	4.02	12.4%
Profit attributable to equity shareholders of the Company	20.61	18.73	10.1%

## Profit before income tax

In 2024, the Company solidly promoted high-quality development and achieved a stable growth in its business performance, resulting in a profit before income tax of RMB25.25 billion, up by 10.1% year-on-year.

## Income tax expenses

In 2024, the Company's income tax expenses was RMB4.52 billion and the effective tax rate was 17.9%.

## The profit attributable to equity shareholders of the Company

In 2024, the profit attributable to equity shareholders of the Company was RMB20.61 billion, up by 10.1% year-on-year. Basic earnings per share was RMB0.674, up by 10.1% year-on-year.

### EBITDA<sup>3</sup>

In 2024, the Company's EBITDA was RMB99.42 billion, and the EBITDA as a percentage of service revenue was 28.7%.

### CAPITAL EXPENDITURE AND CASH FLOW

In 2024, as the Company focused on strengthening network-industry collaboration and precision investment, capital expenditure of the Company totaled RMB61.37 billion. The Company's net cash flow from operating activities in 2024 was RMB89.40 billion. Free cash flow<sup>4</sup> was RMB28.03 billion after deducting the capital expenditure for the year.

### BALANCE SHEET

The Company's total assets increased from RMB661.05 billion as at 31 December 2023 to RMB671.24 billion as at 31 December 2024. Total liabilities changed from RMB307.15 billion as at 31 December 2023 to RMB307.67 billion as at 31 December 2024. The liabilities-to-assets ratio was 45.8% as at 31 December 2024, down by 0.7 percentage point compared to last year. The Company's interest-bearing borrowings were RMB3.57 billion. The debt-to-capitalisation ratio decreased from 11.6% as at 31 December 2023 to 10.2% as at 31 December 2024. The net debt-to-capitalisation ratio was 3.1% as at 31 December 2024.

Note 1: Connectivity and Communications business revenue is the sum of relevant amounts in various types of service revenue, including revenue from voice usage and monthly fees RMB20.40 billion, revenue from broadband and mobile data services RMB154.19 billion, revenue from data and internet application services RMB16.87 billion, revenue from other value-added services RMB30.19 billion, revenue from interconnection fees RMB12.60 billion, revenue from transmission lines usage and associated services RMB24.26 billion and revenue from other services RMB2.82 billion. Computing and Digital Smart Applications business revenue consists of service revenue related to data and internet application services RMB82.49 billion. In addition to the above two business revenue, other business service revenue was RMB2.16 billion.

Note 2: General and administrative expenses excludes staff costs and depreciation.

Note 3: EBITDA represents profit for the year 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 4: 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.