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Profit Alert

This announcement is made by China Unicom (Hong Kong) Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In the third quarter of 2018, the Group continued to implement the national policy of “speed upgrade and tariff reduction”, and cancelled domestic handset data “roaming” fees with effect from 1 July. In the first half of the year, the Group prepared in advance by strengthening data traffic operation, optimising tariff packages and strengthening efforts to promote heavy data packages, in order to facilitate a smooth transition for customers and strive to achieve win-win leveraging price elasticity. It mitigated the downward pressure on the Group’s mobile service revenue in the third quarter resulting from the cancellation of domestic handset data “roaming” fees.

In the first three quarters of 2018, the Group insisted on deepening the implementation of the Strategy of Focus, Innovation and Cooperation and fully accelerated the establishment of China Unicom’s “Five New”. It gradually sped up the pace in driving Internet-oriented operations, while its efforts in mixed-ownership reform started delivering notable enhancement in growth momentum, quality and efficiency. In this period, overall service revenue is expected to be approximately RMB 200,013 million, up by 6.5% year-on-year. Mobile service revenue is expected to be approximately RMB 125,424 million, up by 7.2% year-on-year. Fixed-line service revenue is expected to be approximately RMB 73,223 million, up by 5.2% year-on-year. The profit attributable to the equity shareholders of the Company is expected to be approximately RMB 8,780 million, up significantly by 116.6% year-on-year. It included an increase of RMB 1,474 million in the Group’s share of net profit of associates resulting from the change in the Group’s shareholding percentage in China Tower after its listing and new share issuance.

Market competition may intensify cyclically in the fourth quarter this year. The Group will actively cope with challenges and persistently deepen the execution of its Strategy of Focus, Innovation and Cooperation. It will accelerate the establishment of China Unicom's "Five New" and persevere in the implementation of the Internet-oriented operation. Seizing opportunities afforded by the mixed-ownership reform, the Group will deepen strategic cooperation and further advance the system and mechanism reform, accelerating the delivery of benefits from the reform and comprehensively enhancing the Group's overall competitive strengths. It will appropriately step up investments in innovative businesses and talents development, in order to proactively nurture future growth engines and drive high-quality sustainable growth in full-force.

Caution Statement

The Board wishes to remind shareholders and investors in the Company that the above estimated financial data are based on the preliminary assessment made by the management of the Company with reference to the information currently available and the unaudited management accounts of the Group, and have not been reviewed or audited by the auditors of the Company. Information to be disclosed in the announcement of the Company's key financial and performance indicators for the first three quarters of 2018 on 22 October 2018 shall prevail. The Company's shareholders and investors are cautioned not to unduly rely on the above data. In the meantime, the Company's shareholders and investors are advised to exercise caution in dealing in the securities of the Company.

By order of the Board
China Unicom (Hong Kong) Limited
Yung Shun Loy Jacky
Company Secretary

Hong Kong, 21 October 2018

Certain statements contained in this announcement may be viewed as "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934 (as amended). 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. Further information regarding these risks, uncertainties and other factors is included in the Company's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") and in the Company's other filings with the SEC.

As at the date of this announcement, the board of directors of the Company comprises:

Executive Directors:	Wang Xiaochu, Li Guohua, Li Fushen, Shao Guanglu and Zhu Kebing
Non-executive Director:	Cesareo Alierta Izuel
Independent Non-executive Directors:	Cheung Wing Lam Linus, Wong Wai Ming, Chung Shui Ming Timpson and Law Fan Chiu Fun Fanny