

# Chairman's Statement



Dear Shareholders,

Concluding the "14th Five-Year Plan" and planning for the "15th Five-Year Plan", the Company adhered to the keynote of "Preserve and Innovate, Steady and Far-Reaching". Focusing on the four core arenas of "connectivity", "computing power", "service", and "security", we made solid strides in high-quality development.

**Dong Xin**

Chairman and Chief Executive Officer

## OVERALL RESULTS

**Achieving stability with preservation.** Operating revenue reached RMB392.2 billion. Profit before income tax was RMB25.5 billion. Return on equity<sup>1</sup> reached 5.7%, and free cash flow<sup>2</sup> reached RMB36.0 billion, representing a year-on-year increase of 28.5%. **Seeking long-term growth through innovation.** Seizing opportunities from the new round of technological and industrial innovation, the Company implemented "AI+" initiatives. Revenue contribution from strategic emerging industries reached over 86%. The computing power business revenue<sup>3</sup> ratio reached over 15%, representing an increase of 1.1 percentage points over the previous year. AI revenue<sup>4</sup> grew by over 140% year-on-year. International business revenue reached RMB13.6 billion, representing year-on-year growth of over 9%. The Company's capital expenditure (CAPEX) for the full year was RMB54.2 billion, with the ratio of CAPEX to service revenue declining to 16%. By deepening co-build co-share and building an ultra-lean network, about RMB1.35 billion in operating costs were saved annually, enhancing investment efficiency. The CAPEX for 2026 is expected to be approximately RMB50 billion, of which investment in computing power will account for more than 35%.

The Company's achievement of these decent results would not have been possible without the long-term trust of our customers and shareholders, nor the full support of the society. These results are attributable to our proactive efforts and pursuit of excellence across four core arenas.

## ENHANCING THE BREADTH AND DEPTH OF "CONNECTIVITY"

As the foundation of the Company, "connectivity" serves as the "stabiliser" for our overall revenue and profit. We improved network coverage, enhanced network quality, and extended connectivity from mobile and broadband networks to Internet of Things (IoT), Internet of Vehicles (IoV) and Industrial Internet, as well as driving evolution towards low-altitude intelligent Internet and satellite Internet to meet the demand for high-speed, ubiquitous, intelligent, efficient, stable and reliable connectivity.

**Enhancing network capabilities.** We implemented the "Signal Upgrade" and "Broadband Upgrade" initiatives and bolstered efforts in network co-build, co-share, co-maintain and co-optimize. Our mobile network population coverage rate exceeded 99%, and the network experience in key scenarios were recognised by customers. 5G-A base stations were deployed in more than 330 cities. We promoted gigabit broadband capacity expansion and 10-gigabit broadband upgrade, with nearly 90% of our broadband ports being gigabit-ready. Pre-commercial trials of 10-gigabit optical fibre networks have been launched in more than 100 cities. We also made deployments in frontier fields such as 6G and quantum communications, and launched quantum-secure leased lines.

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**Expanding connectivity scenarios.** The Company's total connectivity subscriber scale<sup>5</sup> exceeded 1.2 billion, representing an increase of 110 million from the previous year. We insisted on the integrated development of broadband and mobile services, achieving a net addition of over 20 million subscribers. The integrated business penetration rate exceeded 78% with the ARPU of integrated packages remaining at over RMB100. We accelerated scenario-oriented transformation. The number of IoT connections exceeded 700 million, and we consolidated our leading advantage in the IoV market. 5G private network revenue reached RMB12.3 billion, representing year-on-year growth of over 50%. Seizing opportunities in the low-altitude economy, we built a low-altitude intelligent network that integrates communication, sensing, navigation, and computing. We obtained the operating permit for satellite mobile communication services and promoted the scale development of satellite direct-to-device applications.

In the future, with "connectivity" as our foundation, we will iteratively upgrade communication technologies, precisely and efficiently build network infrastructure, and enhance the breadth, depth, and precision of our coverage. We will improve the robustness of connectivity, deepen scale-based value operation, and build unobstructed information "arteries" and "neurons" for economic and social development.

## **PROVIDING FASTER AND MORE PRECISE "COMPUTING POWER"**

"Computing power" unleashes the Company's innovation momentum and is the "booster" for revenue growth. We strengthened computing-network as well as cloud-network integration, bolstered the tiered deployment, orchestration and allocation of computing power resources, enhanced the competitiveness of Unicom Cloud, and supported the R&D and application of Big Data and artificial intelligence, seizing new industry opportunities with new technological capabilities.

**Building intelligent computing clusters.** Data centre revenue was RMB28.1 billion, representing an increase of 8.5% year-on-year. We strengthened resource buildout at the "Eastern Data, Western Computing" hub nodes and green computing-power coordination demonstration provinces. The number of standard cabinets<sup>6</sup> exceeded 1.10 million, and seven 100 MW-grade AIDC campuses have been built. The utilisation rate of cabinets exceeded 72%, and the scale of intelligent computing reached 45 EFLOPS. We accelerated the construction of the new "Eight Vertical and Eight Horizontal" backbone optical fibre cable network, adding more than 9,000 kilometres to achieve the interconnection of computing power hub nodes and serve coordinated regional development.

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**Upgrading Unicom Cloud.** We accelerated the evolution of Unicom Cloud towards AI cloud, deepened hyperscale intelligent cloud-native implementations, enhanced centralised orchestration and allocation capabilities, and built a new computing power business model of “applications + models + resources”, supporting the construction of government clouds for over 180 provinces and municipalities, empowering the digital and intelligent transformation of nearly 400,000 corporate customers, establishing the brand image of “AI Smart Select Unicom Cloud”. Unicom Cloud revenue<sup>7</sup> increased by 5.2% year-on-year.

**Open digital intelligence platform.** The Company constructed national AI application pilot bases and launched the UniAI Wanxiang data engineering platform, the UniAI MaaS platform, and the UniAI Wanwu intelligent agent platform. With these platforms, it formed over 400 TB of high-quality datasets, offered over 140 mainstream models, and gathered more than 10,000 developers to help customers rapidly build intelligent agent applications.

In the future, focusing on “computing power”, we will build out our computing power infrastructure in a moderately advance manner, and enhance the integrated operations of our computing power service platform. We will use new algorithms and technologies to promote the integrated development of cloud, network, edge, and terminals, making computing power accessible on demand like water and electricity, thereby creating a core engine for new quality productivity.

## OFFERING MORE TAILORED AND REFINED SERVICES

“Services” expands the scale value of the Company and serves as an “accelerator” for revenue growth. We emphasised an application-oriented approach, relying on our centralised product R&D capabilities and localised fulfilment and operation teams to promote the integrated innovation of digital technologies such as 5G and AI. We created differentiated products and high-quality services, enhanced customer perception, and strengthened our brand influence and industry leadership.

**Facilitating digital consumption.** We enriched our cloud-AI products, which served over 300 million users with revenue increasing by more than 11% year-on-year. We promoted innovation in eSIM applications, benefiting nearly 3 million users. We created the smart home hub “UniBOX Tongtong” to provide a new experience of digital smart living. We launched a customer service AI agent, with smart customer service ratio reaching over 85%.

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**Serving new industrialisation.** We upgraded the "5G + Industrial Internet" product system. The Gewu Industrial Internet Platform was consecutively named as a national Class A cross-industry and cross-domain platform, supporting the unified management and collaborative operation of over ten thousand embodied intelligence robots. We strengthened integrated IoV operation, serving over 95 million vehicles and facilitating the overseas expansion of new energy vehicles.

**Empowering digital government.** We iterated key products such as economic development platform, AI call centre (AICC), and "Labour Connect" smart governance platform to help enhance the government's economic regulation, administrative services, and labour governance.

**Accelerating international development.** We enhanced the capacity of Asia-Pacific, Asia-Americas, and Asia-Africa-Europe backbone channels. We promoted the internationalisation of our smart home products. We implemented benchmark projects such as smart manufacturing in ASEAN, smart warehousing in the Middle East, smart mining in Africa, and smart ports in Europe, facilitating the high-quality joint construction of the "Belt and Road" initiative.

**Reshaping brand system.** We demonstrated the strength of our corporate brands "China Unicom" and "UniCom", enhanced the recognition of our customer brands "Unicom Smart Home", "Unicom WO Pai", and "Unicom Smart Business", and elevated the value of our product brands "Unicom Cloud", "UniAI", "Unicom Yunxi", "Unicom Gewu", and "Unicom Mogong".

In the future, we will be service-oriented. Focusing on scenario-based and personalised customer needs, we will strengthen product innovation and deepen intelligent operations. We aim to accurately identify, rapidly understand, and efficiently satisfy demand, achieving "one enterprise, one policy" and "one person, one screen, one privilege", in order to act as a service provider that reaches thousands of households and penetrates various industries.

## **BUILDING MORE ROBUST AND STRONGER "SECURITY"**

"Security" manifests the Company's mission and responsibility. It is the "support" of the Company's steady and long-term growth. We adhered to bottom-line and worst-case scenario thinking, safeguarded national security, and enhanced industrial chain resilience, so as to ensure the Company's stable operations, showing commitment to "top national priority" and our "corporate duty".

**Strengthening our technological power.** We promoted AI-powered security as well as the security of AI, achieving deep integration of artificial intelligence and data security, and was the first and only enterprise to pass the highest-level accreditation of the national Data Security Maturity Model (DSMM).

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**Activating product momentum.** The Company built a network security product system around its “Mogong” security operation service platform, providing customised solutions and creating a growth driver for its security business. We launched the Unicom Security Guardian, which served 210 million users and offered peace of mind in communication and safeguarded property security.

**Fostering a prosperous industrial ecosystem.** Establishing an integrated development platform for the cybersecurity industry, we joined hands with more than 300 cybersecurity enterprises to form an industrial development paradigm led by central state-owned enterprises with support from large, medium, and small enterprises.

**Ensuring communications security.** We successfully completed major communication support tasks for the Fourth Plenary Session of the 20th CPC Central Committee, the Two Sessions, the 80th anniversary of the victory of the War of Resistance, the Harbin Asian Winter Games, and the 15th National Games. These efforts reinforced and demonstrated our leading support capabilities and sharpened our brand as a “Model Central State-owned Enterprise” for major event support.

In the future, we will use “security” as our shield, implement a holistic view of national security, adhere to the security bottom line, reinforce the safety defense line, and enhance technological advancement and reliability. We will transform our security capabilities into security value that is perceivable by customers and safeguard the high-quality development of the economy and society.

## ACTIVELY FULFILLING CORPORATE SOCIAL RESPONSIBILITY

The Company was recognised as “Most Committed to ESG in China” by FinanceAsia and was awarded the “Sustainable Asia Award” at the “15th Asian Excellence Awards 2025” organised by Corporate Governance Asia. Adhering to green development, the Company promoted the application of energy-saving technologies. Energy consumption per unit of data traffic decreased by 12.9% year-on-year and the power usage effectiveness (PUE) of our data centres improved by 5% year-on-year. We engaged in public welfare services, sending over 50 billion public welfare SMSs and emergency messages during the year. We also promoted the construction of digital villages and empowered the upgrade of the agricultural industry, implementing over 2,500 benchmark projects. Corporate governance was improved, and the Company was named “Most Honored Telecom Company” by Extel (formerly Institutional Investor) for ten consecutive years.

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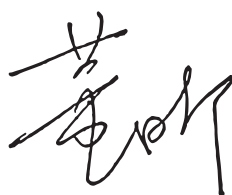
## SHAREHOLDER RETURNS

The Company attaches great importance to shareholder returns. While achieving steady growth in operating results, the Company is committed to sharing the fruits of development with shareholders. The Board of Directors proposed a final dividend<sup>8</sup> of RMB0.1329 per share (pre-tax). Together with the interim dividend of RMB0.2841 per share (pre-tax) already paid, the total dividend for 2025 will be RMB0.417 per share (pre-tax), representing a year-on-year increase of 3.1%, with the dividend payout ratio increasing to 61.3%.

## OUTLOOK

There is an ancient Chinese saying: "Concluding and commencing constitute change. Streaming and flowing lead the way." The Two Sessions concluded recently have brought significant development opportunities for the information and communications industry, instilling confidence in the Company's high-quality development during the "15th Five-Year Plan" period. In 2026, the Company will remain committed to its founding aspiration and mission, and adhere to the keynote of "Preserve and Innovate, Steady and Far-reaching", focusing on the core arenas of "connectivity", "computing power", "service" and "security". It will pursue a differentiated development path in order to promote new achievements in its high-quality development, creating greater value for shareholders, customers and the society.

Finally, on behalf of the Board of Directors, I would like to express my sincere gratitude to all shareholders, customers and all sectors of society for their long-standing care and support for the Company, and to all employees for their continuous efforts and contributions!



**Dong Xin**

*Chairman and Chief Executive Officer*

Hong Kong, 19 March 2026

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Note 1: Return on equity(ROE) = Profit attributable to equity shareholders of the Company during the period/  
Average balance of equity attributable to equity shareholders of the Company at the beginning and end  
of the period.

Note 2: 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.

Note 3: Computing power business revenue = computing service revenue + data centre revenue. Computing power  
business revenue ratio = computing power business revenue/service revenue.

Note 4: AI revenue mainly includes revenue from intelligent computing services, model and agent applications,  
data services and related businesses.

Note 5: 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.

Note 6: Number of standard cabinets is calculated based on 2.5 kW per cabinet.

Note 7: Unicom Cloud revenue includes revenue from cloud IDC, cloud resources, cloud platform, cloud service,  
cloud integration, cloud interconnection, cloud security, etc. generated from integrated innovative  
solutions.

Note 8: The proposed 2025 final dividend is subject to approval at the annual general meeting of the Company.