

Report of *Directors*

The board of directors (the “Board”) of China Unicom (Hong Kong) Limited (the “Company”) is pleased to present its report together with the audited financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of Company’s subsidiaries are the provision of comprehensive telecommunications services.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 December 2025 are set out on pages 101 to 102 of this annual report.

The Board has resolved to recommend at the forthcoming shareholders’ general meeting that the payment of a final dividend of RMB0.1329 per ordinary share (“2025 Final Dividend”) for the year ended 31 December 2025, totaling approximately RMB4,066 million. Together with the 2025 interim dividend payment of RMB0.2841 per share during 2025, the total dividend payment for 2025 amounted to RMB0.4170 per share, totaling approximately RMB12,759 million (2024: RMB12,370 million). If approved by shareholders at the forthcoming annual general meeting, the 2025 Final Dividend is expected to be paid in Hong Kong dollars on or about 24 June 2026 to those members registered in the Company’s register of members as at 5 June 2026 (the “Final Dividend Record Date”).

FINANCIAL INFORMATION

Please refer to the Financial Summary on pages 214 to 215 for the summary of the operating results, assets and liabilities of the Group for the five years ended 31 December 2025.

Please refer to the financial statements on pages 101 to 213 for the operating results of the Group for the year ended 31 December 2025 and the respective financial positions of the Group and the Company as at that date.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025 is set out in the sections headed “Chairman’s Statement” on pages 8 to 15, “Business Overview” on pages 16 to 19, “Financial Overview” on pages 20 to 25, “Financial Statements” on pages 101 to 213, “Human Resources Development” on pages 94 to 95, “Corporate Governance Report” on pages 40 to 75 and “Report of the Directors” on pages 76 to 93 respectively of this annual report. All references herein to other sections or reports in this annual report form part of this Report of the Directors.

LOANS

Please refer to Notes 34, 38 and 43.1 to the consolidated financial statements for details of the borrowings of the Group.

CAPITALISED INTEREST

Please refer to Note 16 to the consolidated financial statements for details of the interest capitalised by the Group for the year.

EQUITY-LINKED AGREEMENTS

Other than the share scheme as disclosed in this Report of the Directors, as at 31 December 2025, no equity-linked agreements were entered into by the Group or subsisted during the year.

PROPERTY, PLANT AND EQUIPMENT

Please refer to Note 16 to the consolidated financial statements for movements in the property, plant and equipment of the Group for the year.

CHARGE ON ASSETS

As at 31 December 2025, no property, plant and equipment was pledged to banks as loan security (31 December 2024: Nil).

SHARE CAPITAL

Please refer to Note 31 to the consolidated financial statements for details of the share capital.

RESERVES

Please refer to page 106 and page 194 of this annual report for the movements in the reserves of the Group and the Company during the year ended 31 December 2025 respectively. As at 31 December 2025, the distributable reserve of the Company amounted to approximately RMB12,386 million (2024: approximately RMB14,989 million).

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Please refer to Notes 19, 20 and 21 to the consolidated financial statements for details of the Company's subsidiaries, the Group's associates and joint ventures.

CHANGES IN SHAREHOLDERS' EQUITY

Please refer to page 106 of this annual report for the Consolidated Statement of Changes in Equity and page 194 for the Statement of Changes in Equity.

EMPLOYEE BENEFIT EXPENSES

Please refer to Note 9 to the consolidated financial statements for details of the employee benefit expenses provided to employees of the Group.

Report of Directors

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights in the articles of association of the Company requiring the Company to offer new shares to the existing shareholders in proportion to their shareholdings.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's sales to its five largest customers for the year ended 31 December 2025 did not exceed 30% of the Group's total turnover for the year.

The Group's total purchases attributable to the five largest suppliers for the year ended 31 December 2025 did not exceed 30% of the Group's total purchases for the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of Directors and chief executives of the Company in any shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Hong Kong Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), were as follows:

Long Positions in the Shares and Underlying Shares of the Company

Name of Director	Capacity	Ordinary Share Held	Percentage of Issued Shares
Chung Shui Ming Timpson	Beneficial owner (Personal)	6,000	0.00%

Save as disclosed in the foregoing, as at 31 December 2025, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares, or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Furthermore, save as disclosed in the foregoing, during the year ended 31 December 2025, none of the Directors or chief executives (including their spouses and children under the age of 18) of the Company had any interests in or was granted any right to subscribe in any shares, underlying shares, or debentures of the Company or any of its associated corporations, or had exercised any such rights.

MATERIAL INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the following persons (other than disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures") had the following interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of Part XV of the SFO:

Long Positions in the Shares and Underlying Shares of the Company

Name of Shareholders	Ordinary Shares Held		Percentage of Issued Shares
	Directly	Indirectly	
(i) China United Network Communications Group Company Limited ("Unicom Group") ^{1,2}	—	24,683,896,309	80.67%
(ii) China United Network Communications Limited ("A Share Company") ¹	—	16,376,043,282	53.52%
(iii) China Unicom (BVI) Limited ("Unicom BVI") ¹	16,376,043,282	—	53.52%
(iv) China Unicom Group Corporation (BVI) Limited ("Unicom Group BVI") ^{2,3}	8,082,130,236	225,722,791	27.15%

Notes:

- Unicom Group and A Share Company directly or indirectly control one-third or more of the voting rights in the shareholders' meetings of Unicom BVI, and in accordance with the SFO, the interests of Unicom BVI are deemed to be, and have therefore been included in, the respective interests of Unicom Group and A Share Company.
- Unicom Group BVI is a wholly-owned subsidiary of Unicom Group. In accordance with the SFO, the interests of Unicom Group BVI are deemed to be, and have therefore been included in, the interests of Unicom Group.
- Unicom Group BVI holds 8,082,130,236 shares (representing 26.41% of the total issued shares) of the Company directly. In addition, Unicom Group BVI is also interested in 225,722,791 shares (representing 0.74% of the total issued shares) of the Company under the SFO, in which Unicom Group BVI had a pre-emptive right.

Apart from the foregoing, as at 31 December 2025, no person had any interest or short position in the shares or underlying shares in the Company as recorded in the register required to be kept under Section 336 of the SFO.

Report of Directors

Please also refer to Note 31 to the consolidated financial statements for details of the share capital of the Company.

REPURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries had repurchased, sold or redeemed any of the Company's listed shares (including sale of treasury shares). As at 31 December 2025, the Company did not hold any treasury shares.

COMPOSITION OF THE BOARD

The following is the list of Directors during the year and up to the date of this report.

Executive Directors:

Dong Xin (*Chairman and Chief Executive Officer*) (appointed on 14 January 2026)

Chen Zhongyue (resigned on 29 October 2025)

Jian Qin

Tang Yongbo (appointed on 27 June 2025)

Wang Junzhi (resigned on 22 May 2025)

Li Yuzhuo

Independent Non-Executive Directors:

Cheung Wing Lam Linus

Chung Shui Ming Timpson

Law Fan Chiu Fun Fanny

Fan Chun Wah Andrew

Pursuant to the articles of association, Mr. Dong Xin, Mr. Tang Yongbo, Mr. Cheung Wing Lam Linus and Mr. Fan Chun Wah Andrew will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

Please refer to Note 9 to the consolidated financial statements for details of the emoluments of the Directors.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors the annual confirmation of his independence and the Company considers that all independent non-executive Directors are currently independent.

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save for the service agreements between the Company and the executive Directors subsisted during 2025 or as at 31 December 2025, the Directors or his/her connected entity(ies) did not have any material interest, whether directly or indirectly, in any significant transaction, arrangement or contract entered into by the Company.

None of the Directors for re-election at the forthcoming annual general meeting has an unexpired service agreement which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTEREST IN COMPETING BUSINESSES

Unicom Group and A Share Company are engaged in telecommunications business and other related businesses in China that are similar to and/or compete with those of the Company. Executive directors of the Company also hold executive positions with Unicom Group and A Share Company. Please refer to the section headed "Directors and Senior Management" on pages 28 to 39 of this annual report for further details.

Mr. Tang Yongbo, an executive Director of the Company, serves as a non-executive director of HKT Limited and HKT Management Limited (the trustee manager of the HKT Trust), and a non-executive director and the deputy chairman of the Board of PCCW Limited.

Each of HKT Limited, HKT Management Limited and PCCW Limited is engaged in the telecommunications business and other related businesses that may compete with those of the Company.

Apart from the above, there are no competing interests of directors which are disclosable under Rule 8.10(2)(b) of the Listing Rules at any time during the year of 2025 up to and including the date of this report.

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Company during the year ended 31 December 2025 and up to the date of this report of directors are available on the Company's website (www.chinaunicom.com.hk).

PERMITTED INDEMNITY

Pursuant to the Company's articles of association, subject to the applicable laws and regulations, every Director shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in the execution of his/her office or otherwise in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group had approximately 235,950 employees, 819 employees and 482 employees in Chinese Mainland, Hong Kong-Macau-Taiwan and other countries, respectively. Furthermore, the Group had approximately 9,179 temporary staff in Chinese Mainland. For the year ended 31 December 2025, employee benefit expenses were approximately RMB66.55 billion (for the year ended 31 December 2024: RMB64.93 billion), of which the salary of the contract employees was approximately RMB43.11 billion (for the year ended 31 December 2024: RMB44.04 billion). The Group endeavors to maintain its employees' remuneration in line with the market trend and to remain competitive. Employees' remuneration is determined in accordance with the Group's remuneration and bonus policies based on their performance. The Group also provides comprehensive benefit packages and career development opportunities for its employees, including retirement benefits, housing benefits and internal and external training programmes, which are tailored in accordance with individual needs.

CONTINUING CONNECTED TRANSACTIONS

On 28 October 2022, CUCL, a wholly-owned subsidiary of the Company, and Unicom Group entered into a comprehensive services agreement (the "2023–2025 Comprehensive Services Agreement") while Finance Company ("Finance Company"), a subsidiary of the Company, and Unicom Group entered into a financial services agreement (the "2023–2025 Financial Services Agreement"). Pursuant to the 2023–2025 Comprehensive Services Agreement, CUCL and Unicom Group agreed to provide services to each other or by one to the other, including (i) use of telecommunications resources; (ii) property leasing; (iii) value-added telecommunications services; (iv) materials procurement services; (v) engineering design and construction and IT services; (vi) ancillary telecommunications services; (vii) comprehensive support services and (viii) shared services. Pursuant to 2023–2025 Financial Services Agreement, Finance Company agreed to provide financial services to Unicom Group. The above continuing connected transactions will be for a term of three years from 1 January 2023 to 31 December 2025.

With the continuous expansion of operating scale and the continuous improvement of the centralised capital management capabilities of CUCL, a wholly-owned subsidiary of the Company, and subject to the satisfaction of the daily operation of CUCL and its subsidiary, Finance Company, the actual amount of the lending and other credit services between Finance Company and Unicom Group in 2023 (RMB4,633 million) was close to the cap of the transaction (RMB4,650 million). In order to further satisfy the capital management needs of CUCL and enhance the capital efficiency, on 19 March 2024, the Board approved Finance Company and Unicom Group to enter into a supplemental agreement to revise the caps, being the daily lending and other credit services balance (including accrued interests) for the lending and other credit services to be provided by Finance Company to Unicom Group under the 2023–2025 Financial Services Agreement for each of the two years ending 31 December 2024 and 2025 to RMB7,500 million, respectively. Save as disclosed above, all other terms and conditions under the 2023–2025 Financial Services Agreement remain unchanged and valid.

Unicom Group is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Details of the continuing connected transactions under the 2023–2025 Comprehensive Services Agreement and the 2023–2025 Financial Services Agreement are as follows:

(1) Use of Telecommunications Resources

Unicom Group agrees to provide to CUCL:

- (a) certain international telecommunications resources (including international telecommunications channel gateways, international telecommunications service gateways, international submarine cable capacity, international land cables and international satellite facilities); and
- (b) certain other telecommunications facilities required by CUCL for its operations.

The usage charges of international telecommunications resources and other telecommunications facilities are based on the annual depreciation and amortisation charges of such resources and telecommunications facilities provided that such charges would not be higher than the market rates. CUCL will be responsible for the on-going maintenance of such international telecommunications resources. CUCL and Unicom Group will determine and agree which party is to provide maintenance service for the telecommunications facilities referred to in paragraph (b) above. Unless otherwise agreed by CUCL and Unicom Group, such maintenance service charges would be borne by CUCL. If Unicom Group is responsible for maintaining any telecommunications facilities referred to in paragraph (b) above, CUCL will pay to Unicom Group the relevant maintenance service charges which will be determined with reference to market rates, or where there is no market rates will be agreed between the parties and determined based on reasonable costs plus reasonable profit margin. When determining the pricing standard or reasonable profit margin, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties or the relevant industry profit margins in the corresponding period for reference. The net usage charges due to Unicom Group for the provision of the above telecommunications resources and facilities will be settled between CUCL and Unicom Group on a quarterly basis.

For the year ended 31 December 2025, the total charges paid by CUCL to Unicom Group amounted to approximately RMB233 million.

(2) Property Leasing

CUCL and Unicom Group agree to lease to each other properties and ancillary facilities owned by CUCL or Unicom Group (including their respective branches and subsidiaries).

The rental charges for the leasing of each other properties and ancillary facilities are based on market rates. Where there is no market rate or it is not possible to determine the market rate, the rate will be negotiated and agreed between the two parties. Market rates refer to the rates at which the same or similar type of assets or services are provided by Independent Third Parties in the ordinary course of business and under normal commercial terms. Negotiated rates refer to the rates based on the reasonable costs plus the amount of the relevant taxes and reasonable profit margin. When determining the pricing standard or reasonable profit margin, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties or the relevant industry profit margin in the corresponding period for reference. The rental charges are payable quarterly in arrears.

For the year ended 31 December 2025, the rental charges paid by CUCL to Unicom Group (relating to those leases of which the lease term is 12 months or less) amounted to approximately RMB1,151 million, the total value of right-of-use assets involved in the properties leased by CUCL (relating to those leases of which the lease term exceeds 12 months) amounted to approximately RMB260 million, and the rental charges paid by Unicom Group to CUCL was RMB41 million.

(3) Value-added Telecommunications Services

Unicom Group (or its subsidiaries) agrees to provide the customers of CUCL with various types of value-added telecommunications services.

CUCL will settle the revenue generated from the value-added telecommunications services with the branches of Unicom Group (or its subsidiaries) on the condition that such settlement will be based on the average revenue for independent value-added telecommunications content providers who provide value-added telecommunications content to CUCL in the same region. The amount will be settled on a monthly basis.

For the year ended 31 December 2025, the total amount allocated to Unicom Group in relation to value-added telecommunications services amounted to approximately RMB93 million.

(4) Materials Procurement Services

Unicom Group agrees to provide comprehensive procurement services for imported and domestic telecommunications materials and other domestic non-telecommunications materials to CUCL. Unicom Group has also agreed to provide services on management of tenders, verification of technical specifications, installation, consulting and agency services. In addition, Unicom Group will sell materials to CUCL and resell the equipment purchased from the third parties, and will also provide storage and logistics services in relation to the above materials procurement.

Charges for the provision of materials procurement services are calculated at the rate of:

- (a) up to 3% of the contract value of those procurement contracts in the case of domestic materials procurement; and
- (b) up to 1% of the contract value of those procurement contracts in the case of imported materials procurement.

The charges for the provision of materials by Unicom Group, and the pricing and/or charging standard of the commission for various materials procurement services, and storage and logistics services relevant to the direct material procurement are based on the market rates. Where there is no market rate or it is not possible to determine the market rate, the rate will be negotiated and agreed between the two parties. Market rates refer to the rates at which the same or similar type of assets or services is provided by Independent Third Parties in the ordinary course of business and under normal commercial terms. Negotiated rates refer to the rates based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. When determining the pricing standard or reasonable profit margin, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties or the relevant industry profit margin in the corresponding period for reference. The service charges due to Unicom Group will be settled on a monthly basis.

For the year ended 31 December 2025, the total charges paid by CUCL to Unicom Group amounted to approximately RMB25 million.

(5) Engineering Design and Construction and IT Services

Unicom Group agrees to provide engineering design, construction and supervision services and IT services to CUCL. Engineering design services include planning and design, engineering inspection, telecommunications electronic engineering, telecommunications equipment engineering and corporate telecommunications engineering. Construction services include services relating to telecommunications equipment, telecommunications routing, power supplies, telecommunications conduit, and technical support systems. IT services include communications technology services (including construction and installation services, system integration services, software development, product sales and agent services, operation and maintenance services, and consultation services).

The charges for the provision of engineering design and construction and IT services are based on market rates. Market rates refer to the rates at which the same or similar type of products or services are provided by Independent Third Parties in the ordinary course of business and under normal commercial terms. When determining the pricing standard, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties in the corresponding period

for reference. In the event the recipient will determine the specific provider of engineering design and construction and IT services through tender, the provider shall be no less qualified and equipped than the Independent Third Parties, and shall participate in the tender procedure on an equal footing with the Independent Third Parties. Under such circumstances, the pricing will be determined by the final rate according to the tender procedure. The service charges will be settled between CUCL and Unicom Group as and when the relevant services are provided.

For the year ended 31 December 2025, the total charges paid by CUCL to Unicom Group amounted to approximately RMB945 million.

(6) Ancillary Telecommunications Services

Unicom Group agrees to provide ancillary telecommunications services to CUCL. These services include certain telecommunications pre-sale, on-sale and after-sale services such as assembling and repairing of certain client telecommunications equipment, sales agency services, printing and invoice delivery services, maintenance of telephone booths, customers acquisitions and servicing and other customers' services.

The charges payable for the provision of ancillary telecommunications services are determined by the market rates between the two parties. Where there is no market rate or it is not possible to determine the market rates, the rate will be negotiated and agreed between the two parties. Market rates refer to the rates at which the same or similar type of assets or services are provided by Independent Third Parties under normal commercial terms. Negotiated rates refer to the rates based on the reasonable costs plus the amount of the relevant taxes and reasonable profit margin. When determining the pricing standard or reasonable profit margin, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties or the relevant industry profit margin in the corresponding period for reference. The service charges will be settled between CUCL and Unicom Group as and when the relevant services are provided.

For the year ended 31 December 2025, the total services charges paid by CUCL to Unicom Group amounted to approximately RMB1,080 million.

(7) Comprehensive Support Services

Unicom Group and CUCL agree to provide comprehensive support services to each other, including dining services, facilities leasing services (excluding those facilities which are provided under the paragraph headed "Use of Telecommunications Resources" above), vehicle services, health and medical services, labour services, security services, hotel and conference services, gardening services, decoration and renovation services, construction agency, equipment maintenance services, market development, sanitary services, parking services, staff trainings, storage services, advertising services, marketing, property management services.

CUCL agrees to provide comprehensive services to Unicom Group, including sales services, technical support services, research and development services, communication services and communications technology services (including construction and installation services, system integration services, software development, product sales and agent services, operation and maintenance services, and consultation services).

The service charges are determined by the market rates between the two parties. Where there is no market rate or it is not possible to determine the market rate, the rate will be negotiated and agreed between the two parties. Market rates refer to the rates at which the same or similar type of assets or services are provided by Independent Third Parties under normal commercial terms. Negotiated rates refer to the rates based on the reasonable costs plus the amount of the relevant taxes and reasonable profit margin. When determining the pricing standard or reasonable profit margin, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties or the relevant industry profit margin in the corresponding period for reference. The service charges will be settled between CUCL and Unicom Group as and when the relevant services are provided.

For the year ended 31 December 2025, the total services charges paid by CUCL to Unicom Group amounted to approximately RMB765 million, and the total services charges paid by Unicom Group to CUCL amounted to approximately RMB358 million.

(8) Shared Services

Unicom Group and CUCL agree to provide shared services to each other, including, but not limited to, the following: (a) CUCL will provide headquarter human resources services to Unicom Group; (b) CUCL will provide business support centre services to Unicom Group; (c) CUCL will provide hosting services related to the services referred to in paragraphs (a) and (b) above to Unicom Group; and (d) Unicom Group will provide premises to CUCL and other shared services requested by its headquarters. Unicom Group and CUCL will share the costs related to the shared services proportionately in accordance with their respective total assets value, except that the total assets value of the overseas subsidiaries and the listed company of Unicom Group will be excluded from the total asset value of Unicom Group, and the shared costs proportion will be agreed between Unicom Group and CUCL in accordance with the total assets value set out in the financial statements provided to each other, as adjusted in accordance with their respective total assets value on an annual basis.

For the year ended 31 December 2025, the total services charges paid by CUCL to Unicom Group amounted to approximately RMB77 million, and the services charges paid by Unicom Group to CUCL was negligible.

(9) Financial Services

Finance Company agrees to provide financial services to Unicom Group, including deposit services, lending and other credit services, and other financial services. Other financial services include settlement services, entrusted loans, financial and financing consultation, entrusted investment, bond underwriting, consultation, agency business, and other businesses approved by China Banking and Insurance Regulatory Commission or its agency for Finance Company.

The key pricing policies are follows:

Finance Company agrees to provide financial services to Unicom Group. The interest rate or fee standard will be determined in strict accordance with the relevant regulations of the People's Bank of China and the China Banking and Insurance Regulatory Commission and other institutions, as follows:

(a) Deposit Services

The maximum and minimum deposit interest rates will follow the provisions of the People's Bank of China for deposits of the same period and the same type, and be determined with reference to the interest rate for the same period and same type of deposit offered to Unicom Group by the major cooperative commercial banks of Unicom Group and/or offered by Finance Company to other clients, and will be on normal commercial terms.

(b) Lending and other credit services

The lending and other credit services interest rates will follow the relevant provisions of the People's Bank of China, which will be based on Loan Prime Rate and be determined with reference to the interest rate for the same period and same type of lending and other credit services offered to the same type of corporations by the major cooperative commercial banks of Unicom Group and/or offered by Finance Company to its other clients, and will be on normal commercial terms. For the year ended 31 December 2025, the maximum daily lending and other credit services balance (including accrued interests) amounted to approximately RMB6,904 million.

(c) Other financial services

The rate of financial services will be determined according to the principles of fairness and reasonableness, as well as the fair market price or the standards set by the state. The fees to be charged by Finance Company for the provision of the financial services to Unicom Group will comply with the relevant prescribed rates for such services as determined by the institutions, including the People's Bank of China or the China Banking and Insurance Regulatory Commission, etc. Where no relevant prescribed rate is applicable, the fee will be determined with reference to market rates of similar financial services charges and agreed fairly between the parties. For the year ended 31 December 2025, the total fees paid by Unicom Group to Finance Company amounted to approximately RMB2 million.

The service charges will be settled between Finance Company and Unicom Group as and when the relevant services are provided.

For the financial year ended 31 December 2025, the above continuing connected transactions have not exceeded their respective caps.

The Company has formulated and strictly implemented various systems including the Administrative Measures of Connected Transactions of China Unicom to ensure that connected transactions are properly entered into in accordance with pricing mechanisms and the terms of the transactions are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The staff from the relevant business departments and the connected persons of the Company will negotiate the pricing terms of the continuing connected transactions. These pricing terms will be determined in accordance with the pricing policy principles set out in the 2023–2025 Comprehensive Services Agreement and the 2023–2025 Financial Services Agreement, which should be fair and reasonable and subject to the review of the finance department. For the year ended 31 December 2025, the Company has followed the pricing policies principles set out in the 2023–2025 Comprehensive Services Agreement and the 2023–2025 Financial Services Agreement when determining the pricing terms.

The legal department is responsible for the review of the agreement for connected transactions. The finance department takes the lead in the daily management and supervision of connected transactions, including liaising with the relevant business departments for account reconciliation with connected parties, monitoring the implementation of connected transactions together with business departments on a routine basis and performing supervisory examination. The finance department regularly reports the status of the implementation of connected transactions to the Audit Committee. The audit department includes review on connected transactions into the scope of annual internal control assessment and reports the results to the management.

Furthermore, the aforesaid continuing connected transactions have been reviewed by independent non- executive Directors of the Company. In accordance with paragraph 14A.55 of the Listing Rules, the independent non-executive Directors confirmed that the aforesaid continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or better or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's independent auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The independent auditor has issued an unqualified letter containing his findings and conclusions in respect of the continuing connected

Report of Directors

transactions disclosed by the Group in pages 82 to 89 of this annual report in accordance with paragraph 14A.56 of the Listing Rules. The independent auditors' letter has confirmed that nothing has come to their attention that cause them to believe that the continuing connected transactions:

- (A) have not been approved by the Board;
- (B) were not, in all material respects, in accordance with the pricing policies of the Group as stated in this annual report;
- (C) were not entered into, in all material respects, in accordance with the relevant agreements governing the continuing connected transactions; and
- (D) have exceeded their respective annual caps for the financial year ended 31 December 2025 set out in the previous announcements of the Company.

The Company confirms that it has complied with the requirements of Chapter 14A of the Listing Rules in relation to all connected transactions and continuing connected transactions to which any Group member was a party during 2025. Please refer to Note 43 to the consolidated financial statements for a summary of the related party transactions entered into by the members of the Group for the year ended 31 December 2025. Only those connected transactions specified in note 43.1 and 43.2 of the consolidated financial statements constitute continuing connected transactions under Chapter 14A of the Listing Rules, the details of which (except for fully exempt continuing connected transactions) have been disclosed in the paragraph "Continuing Connected Transactions" in the Report of the Directors above. Other related party transactions do not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

On 18 September 2025, CUCL entered into the 2026–2028 Comprehensive Services Agreement (the "2026–2028 Comprehensive Services Agreement") with Unicom Group, and Finance Company entered into the 2026–2028 Financial Services Agreement (the "2026–2028 Financial Services Agreement") with Unicom Group. Pursuant to the 2026–2028 Comprehensive Services Agreement, CUCL and Unicom Group agreed to provide services to each other or by one to the other, including (i) use of telecommunications resources and facilities; (ii) property leasing; (iii) value-added telecommunications services; (iv) materials procurement services; (v) engineering design and construction and IT services; (vi) ancillary telecommunications services; (vii) comprehensive support services and (viii) shared services. Pursuant to the 2026–2028 Financial Services Agreement, Finance Company agreed to provide financial services to Unicom Group. The above continuing connected transactions will be for a term of three years from 1 January 2026 to 31 December 2028.

CORPORATE GOVERNANCE REPORT

Report on the Company's corporate governance is set out in "Corporate Governance Report" on pages 40 to 75.

MATERIAL LEGAL PROCEEDINGS

As a company incorporated in Hong Kong and listed in Hong Kong, the Company adopts the Companies Ordinance of Hong Kong, the Securities and Futures Ordinance of Hong Kong, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company's Articles of Association and other related laws and regulations as the basic guidelines for the Company's corporate governance.

The principal activities of Company's subsidiaries are the provision of comprehensive telecommunications services. The Company is required to comply with the Cybersecurity Law of the People's Republic of China, Telecommunications Regulations of the People's Republic of China, Administrative Regulations on Telecommunications Companies with Foreign Investments and other related laws and regulations. At the same time, overseas subsidiaries of the Company are also required to comply with the related laws and regulations where their business operations are located.

For the year ended 31 December 2025, the Company had not been involved in any material litigation, arbitration or administrative proceedings. So far as the Company is aware of, no such material litigation, arbitration or administrative proceedings were pending or threatened as at 31 December 2025.

PUBLIC FLOAT

Based on publicly available information and so far as Directors are aware, the Company has maintained the specified amount of public float as required by the Hong Kong Stock Exchange during the year ended 31 December 2025 and as at the date of this annual report.

DONATIONS

For the year ended 31 December 2025, the Group made charitable and other donations in an aggregate amount of approximately RMB7.392 million.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the shareholders' rights to attend and vote at the Annual General Meeting (and any adjournment thereof) on 26 May 2026, and entitlement to the 2025 Final Dividend, the register of members of the Company will be closed for registration of transfer of shares. Details of such closures are set out below:

(1) For ascertaining the shareholders' rights to attend and vote at the Annual General Meeting (and any adjournment thereof):

Latest time to lodge transfer documents for registration	4:30 p.m. of 15 May 2026
Closure of register of members	From 18 May 2026 to 26 May 2026
Record date	18 May 2026

(2) For ascertaining the shareholders' entitlement to the 2025 Final Dividend:

Latest time to lodge transfer documents for registration	4:30 p.m. of 4 June 2026
Closure of register of members	5 June 2026
Final Dividend Record date	5 June 2026

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the Annual General Meeting, and to qualify for the 2025 Final Dividend, all transfers, accompanied by the relevant certificates, must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services 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 times.

WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISES IN RESPECT OF 2025 FINAL 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 2025 Final 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 Final 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 2025 Final 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 2025 Final 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 Final 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 2025 Final Dividend, should lodge with the Company's Share Registrar, Computershare Hong Kong Investor Services 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 4 June 2026, 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 Final 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.

MANAGEMENT CONTRACTS

Other than employment contracts, no contract concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2025.

INDEPENDENT AUDITOR

The Hong Kong financial reporting for the year ended 31 December 2025 has been audited by Deloitte Touche Tohmatsu, which will retire and, being eligible, offer itself for re-appointment at the 2026 annual general meeting. A resolution to re-appoint Deloitte Touche Tohmatsu and to authorise the Directors to fix its respective remuneration will be proposed at the 2026 annual general meeting.

By Order of the Board

Dong Xin

Chairman and Chief Executive Officer

Hong Kong, 19 March 2026